



U.S. Consumer Product Safety Commission

INTERNATIONAL CONSUMER PRODUCT SAFETY PROGRAM - CHINA



2006 CHINA PROGRAM PLAN DRAFT

**Office of International Programs and
Intergovernmental Affairs**

**Joseph P. Mohorovic, Director
Patricia M. Bittner, Program Manager**

JULY 2006

This document has been prepared by CPSC staff, has not been reviewed or approved by, and may not reflect the views of, the Commission.

ACKNOWLEDGEMENTS

Since May 2005, when the Office of International Programs and Intergovernmental Affairs (IPIA) assembled an interdisciplinary team of CPSC staff to develop the projects for the International Consumer Product Safety Program-China, the collective knowledge and experience of many individuals has assisted in its development and implementation.

We would like to acknowledge the contributions of the CPSC China Team:

Mel Altman
Kathy Bellenfant
Colin Church
Ann DeTemple
Patricia Fairall
Paul Gutierrez
Laurie Hopkins
Susan Kyle
Mark Kumagai
Kelly Lawn
Barbara Parisi
Kevin Robinson
Nancy Sachs
Soumaya Tohamy
Suad Wanna-Nakamura
Scott Wolfson

We would also like to recognize the other members of CPSC staff and the many members of the public and private sector who participated in this Program. In particular, we would like to thank Gordon Gillerman at the Department of Commerce-National Institute of Standards and Technology (NIST) and Sara Yun of the State Department for their assistance in conformity assessment and the 2005 Sino-American Consumer Product Safety Summit, respectively.

Joseph Mohorovic, Director, IPIA
Patricia Bittner, Program Manager

TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	1
2	INTRODUCTION.....	3
3	ECONOMIC AND RECALL DATA ANALYSIS	5
3.1	Imports Under CPSC Jurisdiction	5
3.2	Recalls and Port Seizures.....	8
4	THE CPSC THREE-PART SAFETY MESSAGE	13
4.1	U.S. Standards Compliance.....	13
4.2	Core Manufacturing Principles.....	16
4.3	Conformity Assessment	17
4.3.1	Mandatory Rules and Voluntary Standards.....	18
4.3.2	Certification	19
4.3.3	Testing	20
5	CPSC STAFF ACTIVITIES	21
5.1	Memorandum of Understanding (MOU) with AQSIQ	21
5.2	Open Dialogues and Public Meetings	22
5.3	2005 U.S. - China Standards Workshop	23
5.4	Standards Translation Activities.....	24
5.5	Sino-American Consumer Product Safety Summit.....	26
5.5.1	Summit Day 1 - August 30, 2005.....	28
5.5.2	Summit Day 2 - August 31, 2005.....	32
5.5.3	Meetings of the Priority Product Working Groups.....	33
5.6	Plan of Action on Cooperation.....	41
5.7	Shanghai Retail Roundtable Discussion.....	42
5.8	Handbook for Manufacturing Safer Consumer Products (2006).....	44
5.9	CPSC Website-China Program.....	46
5.10	In-House Seminars.....	46
5.11	AQSIQ ICPHSO Participation.....	48
5.12	Point of Purchase Examination	48
6	CURRENT STRATEGIES	50
6.1	Message Dissemination and Training.....	50

6.1.1	Seminars at Retail Supplier Meetings	50
6.1.1.1	Best Buy Asia Pacific Vendor Summit	52
6.1.2	Seminars at Chinese Trade Fairs.....	52
6.1.2.1	Toy Safety Conference.....	53
6.1.2.2	Toy Factory Seminar	54
6.1.2.3	Electro Safety Symposium.....	55
6.2	AQSIQ and CPSC Cooperative Activities	58
6.3	CPSC Message Expansion	60
6.4	Chinese Manufacturer Notification	62
6.5	U.S. Federal Interagency Activities	64
6.6	Public Forums.....	65
6.7	Biennial Safety Summits	65
6.8	Educational Exchange Program.....	66
6.9	CPSC Website.....	68
7	CONCLUSION.....	69
8	LIST OF TABLES.....	70
9	LIST OF FIGURES	71
10	REFERENCES	72

APPENDIX A – ACRONYMS AND ABBREVIATIONS

APPENDIX B – ECONOMIC DATA

APPENDIX C – RECALL AND SEIZURE DATA

APPENDIX D – CONFORMITY ASSESSMENT MESSAGE

APPENDIX E – MEMORANDUM OF UNDERSTANDING

APPENDIX F – CONSUMER PRODUCT SAFETY STANDARDS MATRIX

APPENDIX G – SINO-AMERICAN CONSUMER PRODUCT SAFETY SUMMIT AGENDA

APPENDIX H– PLAN OF ACTION ON COOPERATION

APPENDIX I– CHINA TEAM WORKING GROUP SUMMARIES AND TALKING POINTS

APPENDIX J– EVALUATION OF ELECTRICAL RECALLS FROM CHINA AND HONG KONG

APPENDIX K– LIST OF U.S. ATTENDEES AT SHANGHAI ROUNDTABLE

DISCUSSION

1 EXECUTIVE SUMMARY

The People's Republic of China (PRC or China) produces nearly 35% (\$200 Billion) of all consumer products imported into the United States, the largest volume of any U.S. trade partner. Additionally, Chinese goods account for over 60% of all CPSC-directed recalls and port seizures of imported products. To address these trends, the U.S. Consumer Product Safety Commission (CPSC) launched a comprehensive initiative with the PRC to improve the safety of consumer products reaching the U.S. market.

This *International Consumer Product Safety Program – China* (China Program) offers the rationale for engaging China on the issue of product safety, describes the series of activities already taken in this effort, and presents the strategy for achieving long-term success, including anticipated future actions and other next steps. The China Program represents a creative and proactive approach to the challenge of unsafe Chinese imports with an emphasis on education, engagement, and cooperation.

CPSC's official relationship with the PRC commenced with the signing of the 2004 Memorandum of Understanding (MOU). Under the terms of the agreement, CPSC Chairman Hal Stratton and his Chinese counterpart Minister Li Chiangjiang acknowledged the growing importance of consumer product safety with respect to goods imported from China, and agreed to formally cooperate to address the issue.

In August 2005, as specified in the MOU, Chairman Stratton led a delegation of senior CPSC staff and members of the private sector to Beijing, China for the inaugural Sino-American Consumer Product Safety Summit (summit). Organized jointly by the CPSC and the General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ), the summit featured Working Group sessions in four priority product areas – cigarette lighters, electrical products, fireworks, and toys. These Working Groups continue to meet annually to discuss ways in which Chinese manufacturers can improve compliance with CPSC safety regulations and industry consensus standards.

In advance of the summit, a Three-Part Safety Message was developed for staff to impart with the Chinese. This message stresses the need for product compliance with U.S. mandatory rules and voluntary safety standards; the importance of understanding and implementing core principles for manufacturing safer consumer products; and the value of product testing and certification. The Three-Part Safety Message serves as the cornerstone of all activities undertaken through the Program Plan, and has subsequently been delivered at multiple venues to over 1,200 representatives from the Chinese manufacturing community in 2006 alone.

CPSC plans to further disseminate the Three-Part Safety Message in conjunction with U.S. retailers and testing laboratories through vendor seminars, training meetings, trade fairs, and other organized events. Furthermore, CPSC intends to build upon its existing government-to-government relationship with AQSIQ and collaborate with other key public and private stakeholders in China, including the Ministry of Commerce (MOFCOM), regional and provincial officials, and trade associations.

The primary goal of the China Program is to identify and address potential consumer product safety concerns with Chinese goods *before* they enter the United States. This strategic and proactive approach complements long existing cooperative enforcement efforts with U.S. Customs and Border Protection, and best enables the CPSC to advance its core mission to protect American consumers from unsafe products.

2 INTRODUCTION

The United States Consumer Product Safety Commission (CPSC) is an independent U.S. Federal agency whose purpose is to protect the public from unreasonable risks of injury associated with consumer products. The CPSC's Office of International Programs and Intergovernmental Affairs (IPIA) developed the *International Consumer Product Safety Program – China* (China Program) to improve the safety of consumer products imported from China. The *2006 China Program Plan* (Program Plan) presents the background on the China Program and describes the implementation of projects in this program. China is the number one source of imported consumer products under the jurisdiction of the CPSC. In April 2004, the CPSC began formalized activities with China to improve the safety of products reaching U.S. consumers. Imported Chinese manufactured consumer products under the CPSC's jurisdiction represent the largest foreign source of CPSC-directed product recalls and seizures. The dollar value of consumer product imports from China is over three times the value of such imports from any other country. China's relative importance compared to other countries as a source of consumer products for the U.S. market is growing.

Importation of consumer goods into the U.S. marketplace is unlikely to decrease anytime soon. Free trade enables a vibrant global economy and is enhanced through greater regulatory compliance with mandatory rules and voluntary safety standards.

Ensuring the safety of consumer goods available for purchase by the American consumer echoes the mission of this agency while enabling the open market policy of the global economy to work free of technical barriers to trade. The United States does not and cannot operate in economic isolation. Our own citizens make purchasing demands that U.S. retailers and manufacturers are meeting through outsourcing and purchasing ventures overseas. China is frequently looked to as a sourcing outlet due to its low labor costs, plentiful labor market, and readily available raw materials. CPSC staff believe it is logical and prudent that the agency educate Chinese manufacturers about the safety requirements for consumer products being sold in the United States.

This Program Plan provides information that shows the relevance of U.S. imports of consumer products from China and suggests specific ways to maintain and improve consumer product safety. Originally released to the public for comment in May 2005, it has evolved based on an evaluation of the comments received, consultations with our counterparts in the Chinese government, and experience gained during our endeavors.

Figure 1 is a map of China showing major cities and is provided for ease of reference.

A list of acronyms used throughout this document is found in *Appendix A*.

Further information on the China Program can be found at www.cpsc.gov/businfo/china/china.html.

Figure 1: Map of the People's Republic of China

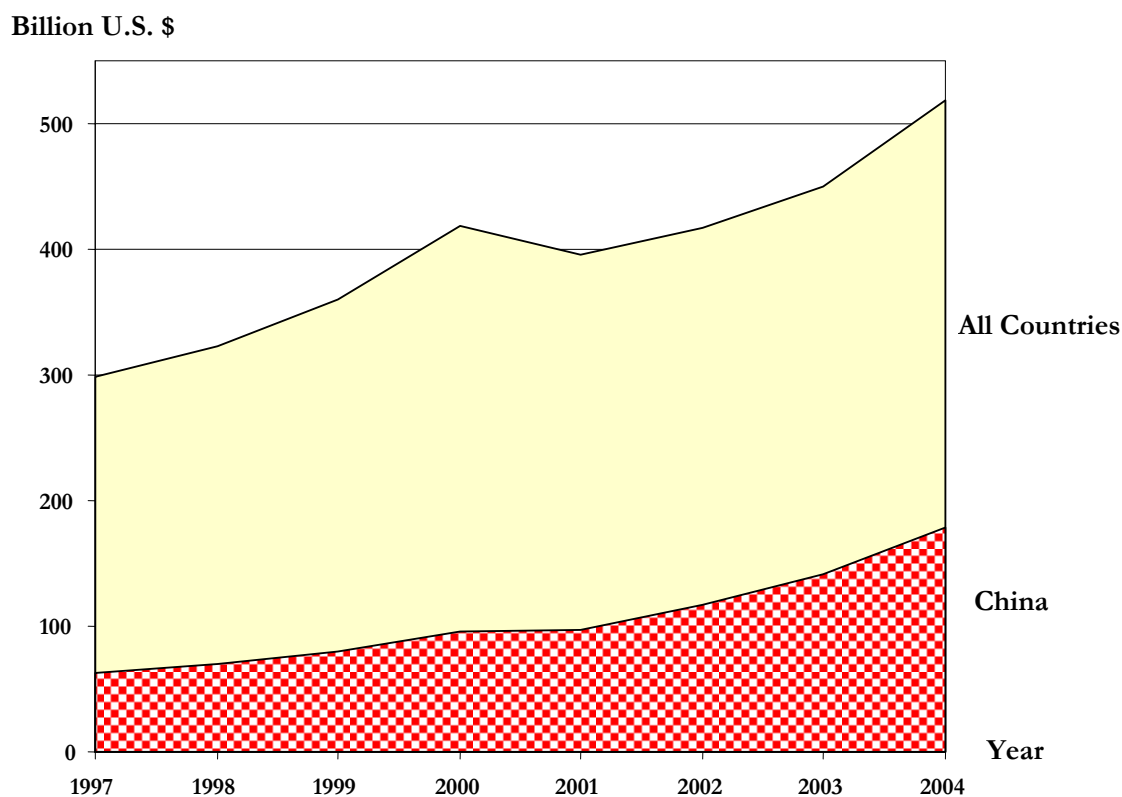


3 ECONOMIC AND RECALL DATA ANALYSIS

3.1 IMPORTS UNDER CPSC JURISDICTION

China is the primary foreign source of consumer products in the United States.¹ A recent report by CPSC staff showed that, since 1997, annual imports from China of consumer goods under CPSC's jurisdiction significantly exceeded U.S. imports of similar such products from any other country (Tohamy 2005a; see *Appendix B*). It showed that the value of U.S. imports of consumer goods under CPSC's jurisdiction from all countries was \$519 billion in 2004. The value of U.S. imports of consumer goods from China was \$179 billion in 2004. U.S. imports from China represented a little over one-third of total U.S. consumer product imports in 2004 (*Figure 2*).

Figure 2: Imports of Consumer Goods under CPSC's Jurisdiction (1997 to 2004²)

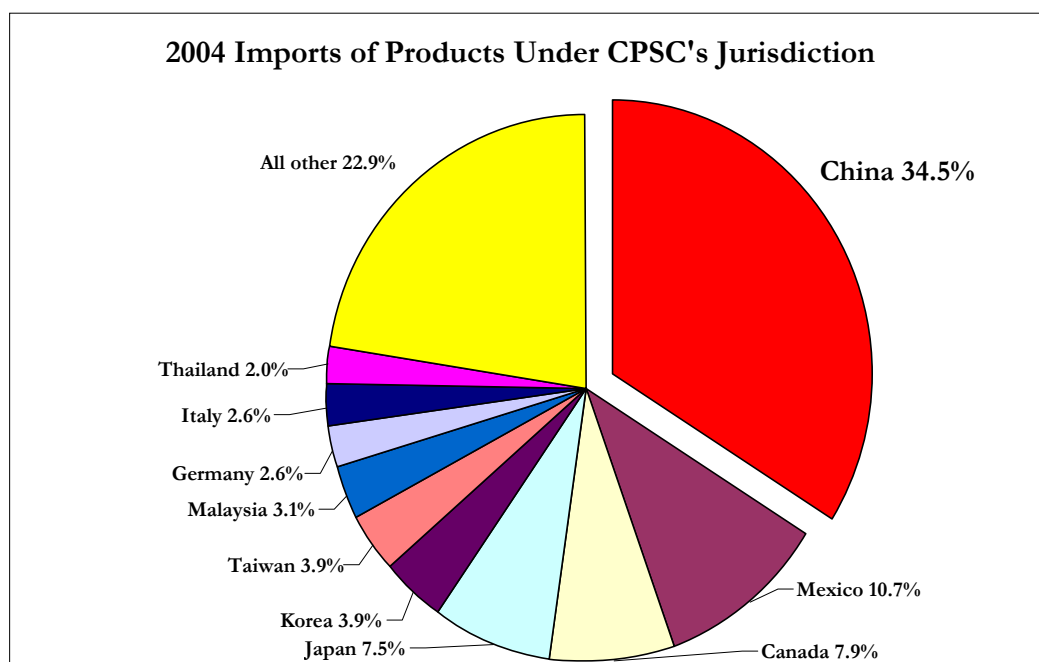
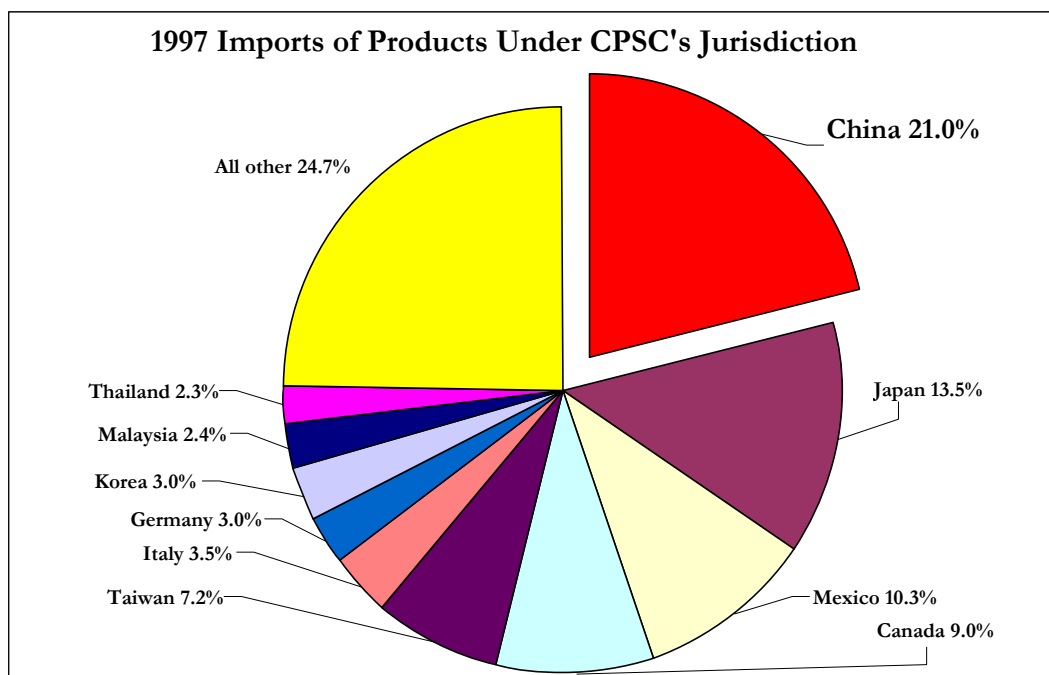


The share of U.S. imports from China of all consumer products under CPSC's jurisdiction increased from 21.0% in 1997 to 34.5% in 2004 (*Figure 3*). This represents an increase of 64.0%.

¹ All trade and recall data for China herein also include data for Hong Kong.

² 2004 economic data was the most recent trade information available to CPSC at the time of publication.

Figure 3: 1997 and 2004 Imports of Products Under CPSC's Jurisdiction

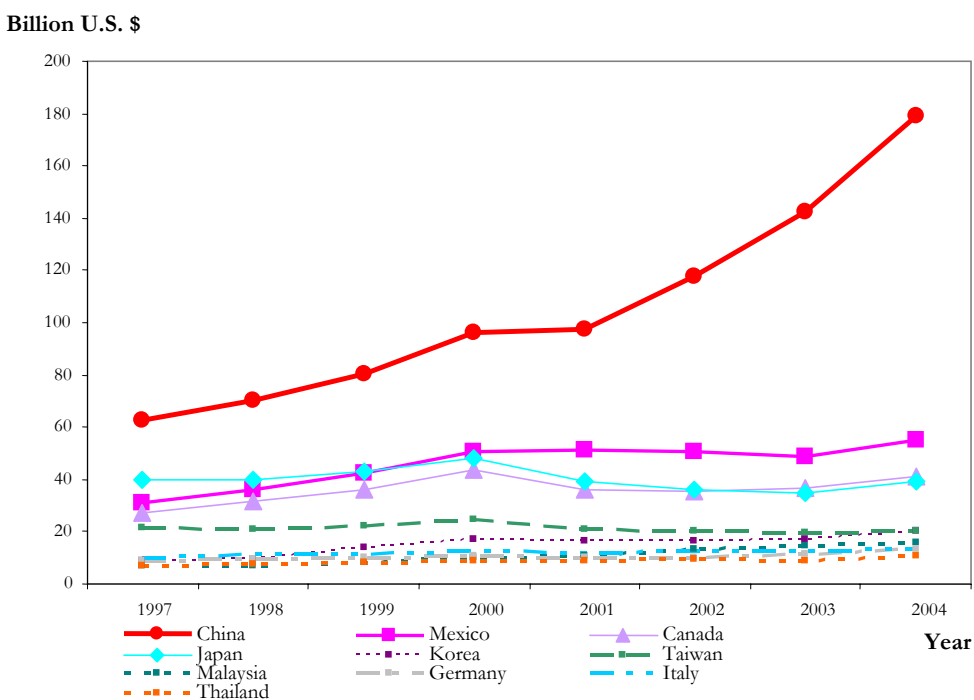


The value of U.S. imports from China increased from \$62.6 billion in 1997 to \$179 billion in 2004 (Table 1 and Figure 4). This represents an increase of 186% over an eight-year period. Of the top 10 countries from which consumer goods under CPSC's jurisdiction are imported, China has experienced the fastest growth rate in value of imports (Figure 4).

**Table 1: Imports of Consumer Goods under CPSC's Jurisdiction
(Billion U.S. Dollars)**

Year	China	All Countries	Share of Imports from China (%)
1997	62.6	297.9	21.02%
1998	70.4	322.2	21.84%
1999	80.7	360.6	22.37%
2000	96.1	418.4	22.97%
2001	97.7	395.8	24.67%
2002	117.8	417.2	28.24%
2003	142.1	449.5	31.61%
2004	179.0	518.7	34.50%

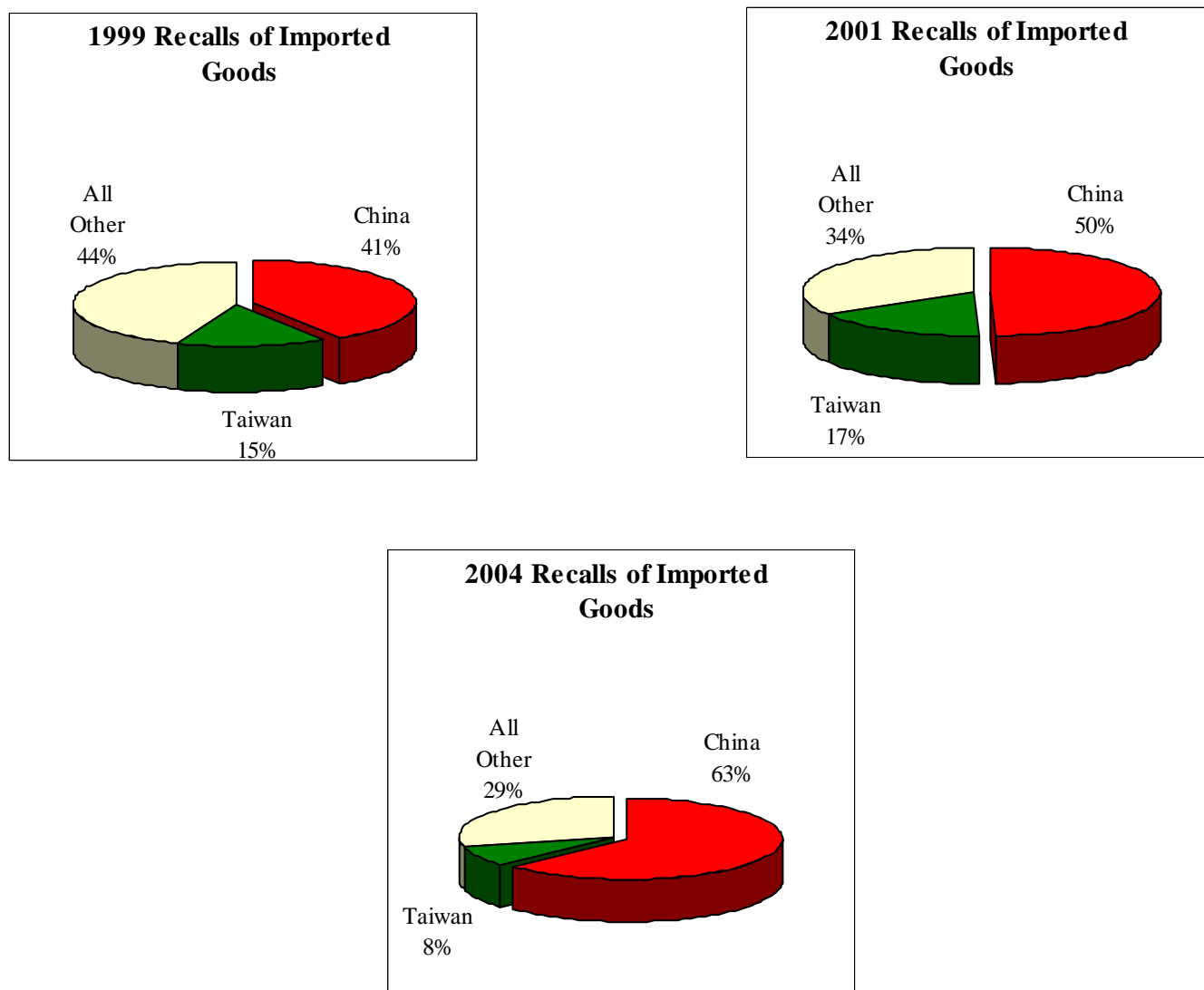
Figure 4: Imports of Products under CPSC's Jurisdiction by Country (Billion US Dollars)



3.2 RECALLS AND PORT SEIZURES

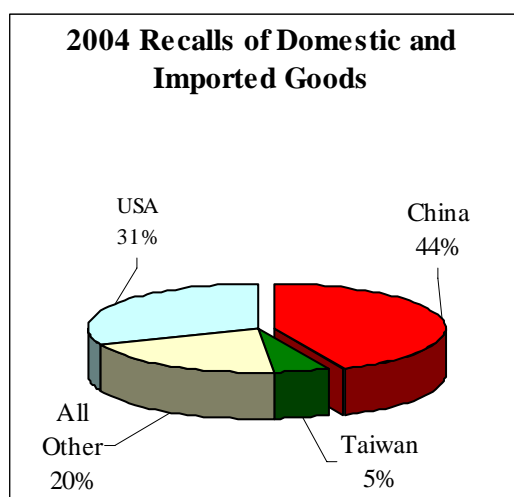
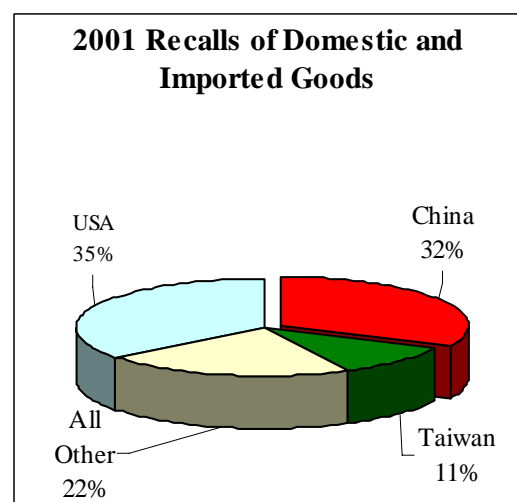
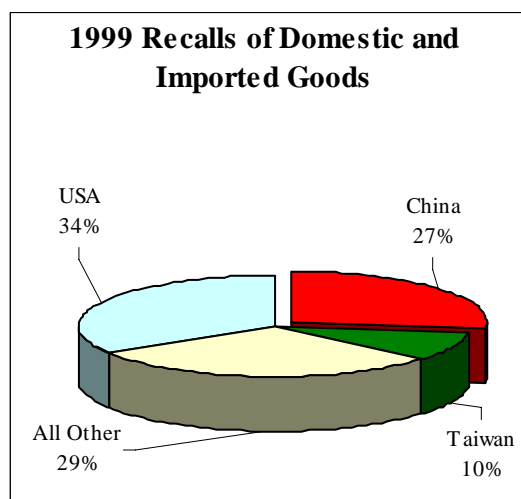
Not only is China the leading source of imported consumer products under CPSC's jurisdiction, China is also the leading source, foreign or domestic, of consumer goods involved in CPSC-directed product recalls and product seizures at ports of entry. A recent CPSC staff study of recall and seizure data for consumer products (*Appendix C*) shows that relative to recalls of all imported consumer goods under CPSC jurisdiction, the share of recalls from China increased from 41% in 1999 to 63% in 2004 (Figure 5).

Figure 5: CPSC Recalls of Imported Goods



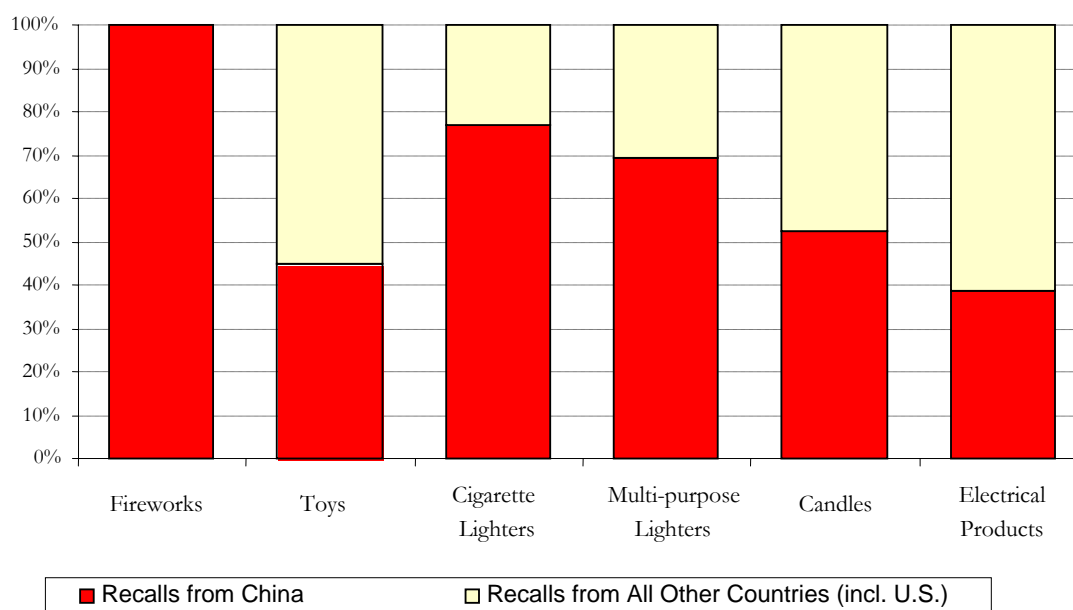
Relative to all recalls of consumer goods (i.e., recalls of domestically produced and imported goods), the share of recalls from China increased from 27% in 1999 to 44% in 2004 (*Figure 6*).

Figure 6: CPSC Recalls of Domestic and Imported Goods



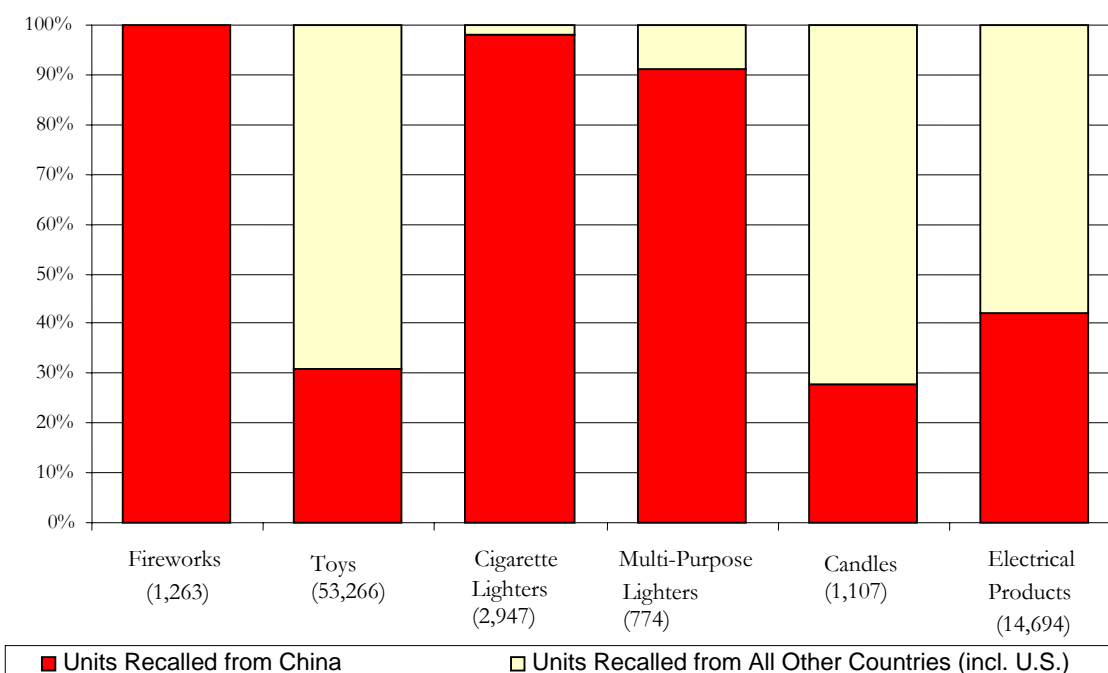
The average annual recalls of fireworks, cigarette lighters, multi-purpose lighters, and candles produced in China each represent more than 50% of all CPSC-directed recalls for these products, including those domestically produced. Average annual recalls for toys produced in China represent more than 40 percent of all CPSC-directed recalls of those products, including those domestically produced. The average annual recalls of electrical products produced in China represent more than 30 percent of all recalls of those products, including those domestically produced (Tohamy 2005b,c; Figure 7).

Figure 7: Recalls of Selected Products (Annual Average 1999-2004): Proportion from China



Average annual numbers of recalled units of fireworks, cigarette lighters, and multi-purpose lighters produced in China represent more than 90% of all recalled units of these products, including those domestically produced (Tohamy 2005b; *Figure 8*).

Figure 8: Units Recalled for Selected Products (Average Annual 1999-2004): Proportion from China



Source: CPSC Compliance data and staff calculations.

Note: Average annual number of units recalled (in thousands) in parentheses.

Under Section 17 of the Consumer Product Safety Act (CPSA), a consumer product can be seized at the port of entry into the United States if the product, among other things:

- fails to comply with an applicable consumer product safety rule; or
- has a product defect that constitutes a substantial product safety hazard within the meaning of Section 15 (a)(2).³

Chinese goods dominate those seized at the ports of entry into the United States in many product categories. During 1999-2004, China was the source of almost all (average >97%) seized imported units of cigarette lighters and fireworks, 89% of multi-purpose lighters, 70% of bicycles, and 59% of

³ 15 U.S.C. § 2066(a).

toys (Tohamy 2005b). These seized units from China represented, on average, almost all the total retail value of seized imports of fireworks, 96% of cigarette lighters, 89% of multi-purpose lighters, 81% of toys, and 60% of bicycles (*Table 2*).

Table 2: Seizures of Consumer Products: Share of Imports from China

	1999	2000	2001	2002	2003	2004	Average
IMPORTS OF SEIZED PRODUCTS FROM CHINA							
Number of Seized Units (in thousands)							
Cigarette Lighters	11,997	9,080	6,073	781	390	582	4,817
Fireworks	10,996	867	8,466	1,929	1,060	4,541	4,643
Toys	953	281	346	149	92	644	411
Bicycles	1	-	7	17	-	-	8
Multi-Purpose Lighters	-	-	410	255	67	231	241
Estimated Retail Value (in thousands)							
Cigarette Lighters	10,048	6,876	8,114	624	997	3,589	5,041
Fireworks	668	465	767	316	633	574	570
Toys	579	281	624	330	306	723	474
Bicycles	84	-	209	836	-	-	376
Multi-Purpose Lighters	-	-	971	339	31	308	412
SHARE OF CHINA IN TOTAL IMPORTS OF SEIZED PRODUCTS							
Number of Seized Units (%)							
Cigarette Lighters	90.1%	97.6%	99.4%	99.7%	100.0%	100.0%	97.8%
Fireworks	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%
Toys	88.9%	27.0%	80.4%	98.3%	8.7%	48.1%	58.6%
Bicycles	50.0%	-	82.7%	76.6%	-	-	69.8%
Multi-Purpose Lighters	-	-	56.9%	99.9%	100.0%	100.0%	89.2%
Estimated Retail Value (%)							
Cigarette Lighters	92.4%	89.1%	97.9%	97.6%	100.0%	99.9%	96.2%
Fireworks	99.4%	100.0%	100.0%	96.6%	100.0%	100.0%	99.3%
Toys	76.9%	48.6%	83.9%	95.1%	98.6%	84.3%	81.2%
Bicycles	50.0%	-	43.8%	84.9%	-	-	59.5%
Multi-Purpose Lighters	-	-	55.6%	99.7%	100.0%	100.0%	88.8%

Source: CPSC Compliance data and staff calculations.

All values are for fiscal years

4 The CPSC Three-Part Safety Message

CPSC staff developed a Three-Part Safety Message, particularly for Chinese manufacturers, to help reduce the volume of violative products entering the United States. The Three-Part Safety Message instructs manufacturers to:

1. Comply with both U.S. regulatory (mandatory) and voluntary (consensus) standards;
2. Practice core principles for manufacturing quality goods, such as those outlined in CPSC staff document, *Handbook for Manufacturing Safer Consumer Products* (2006); and
3. Fully adhere to the CPSC conformity assessment recommendations (Section 4.3) which stipulate that products be tested by an accredited laboratory and certified to existing standards (if a certification program exists for the product type).

In developing these instructions, CPSC staff worked with staff from the National Institute for Standards and Technology (NIST), held open public meetings, and solicited public comments. It has been hailed by both U.S. private sector and consumer groups as the proper pronouncement to ably ensure safety for the American consumer.

4.1 U.S. STANDARDS COMPLIANCE

Both mandatory rules and national voluntary safety standards play essential roles in protecting the U.S. public. Governments and manufacturers of all countries that export consumer products to the United States must understand the U.S. standards system and the need to meet both mandatory rules and voluntary safety standards.

It is noteworthy that while the term “consensus standards” is generally accepted in the United States, CPSC regulations and statutes refer to these non-mandatory standards as “voluntary” standards. Voluntary standards are developed through processes that involve both the private sector and the public sector. The work of the U.S. private sector standards developers is inextricably connected to the work of government regulatory bodies. CPSC staff is both a user of voluntary standards and a participant in the voluntary standards development process.

CPSC staff actively participates in the development of consumer product safety standards – both voluntary and mandatory. During 2005, CPSC staff provided technical support to developing 67 national voluntary standards. From 1990 through 2004, CPSC staff worked cooperatively with interested parties to complete or revise 283 voluntary consumer product safety standards while issuing 35 mandatory rules, an 8-to-1 ratio of voluntary standards and mandatory rules.

The CPSA requires that CPSC rely upon voluntary consumer product safety standards rather than promulgate mandatory rules whenever: (1) compliance with such voluntary standards would

eliminate or adequately reduce the risk of injury addressed, and (2) it is likely that there will be substantial compliance with such voluntary standards.⁴

While U.S. consensus standards are voluntary, in some situations failure to comply with a voluntary standard can render a product violative and, therefore, unlawful for sale and distribution in the U.S. market.

The CPSA states that:

“(a) Any consumer product offered for importation into the customs territory of the United States shall be refused admission into such customs territory if such product—

(1) fails to comply with an applicable consumer product safety rule ...

(4) has a product defect which constitutes a substantial product hazard.”⁵

The CPSA defines the term “substantial product hazard” as follows:

“For purposes of this section, the term ‘substantial product hazard’ means – ...a product defect which (because of the pattern of defect, the number of defective products distributed in commerce, the severity of the risk, or otherwise) creates a substantial risk of injury to the public.”⁶

The CPSC determines on a case-by-case basis whether a defect or noncompliance with a standard exists and whether this results in substantial risk of injury to the public.⁷ The CPSC uses the following criteria to determine whether a substantial product hazard exists:

1. Hazard created by defect (pattern of defect, number of defective products distributed in commerce, and severity of the risk); and
2. Hazard presented by noncompliance (failure to comply with an applicable consumer product safety rule).⁸

In some cases, failure to comply with a private-sector voluntary standard makes a product defective and creates a substantial product hazard. Simply stated, to decrease the likelihood of Chinese manufacturers needing to address regulatory issues, recalls, and seizures by the U.S. Government (U.S. Customs and Border Protection and the CPSC), ***Chinese manufacturers should comply with CPSC regulations and U.S. voluntary safety standards.***

⁴ 15 U.S.C. § 2066.

⁵ 15 U.S.C. § 2066(a).

⁶ 15 U.S.C. § 2064(a).

⁷ 16 C.F.R. § 1115.12(g).

⁸ 16 C.F.R. § 1115.12(g)(1).

CPSC staff realizes that it is possible that the term “voluntary standard” in the CPSA may be confusing and confounded by language differences between China and the United States.

According to Webster’s Dictionary, the word voluntary “implies freedom and spontaneity of choice or action without external compulsion.” So, to the Chinese there may be no imperative to comply with “voluntary” standards. However, in some cases, failure to comply with a private-sector U.S. voluntary safety standard makes a product defective and creates a substantial product hazard. While adherence to voluntary safety standards does not eliminate the possibility of producing a violative product, it should diminish the likelihood of its occurrence.

It is important that Chinese and foreign manufacturers understand that CPSC mandatory rules generally can address only unreasonable risks of injury associated with a consumer product, but that voluntary standards can address any level of risk of injury. CPSC staff believes that a proper combination of mandatory rules and voluntary standards can do more to increase product safety than either mandatory rules or voluntary standards alone. Moreover, CPSC staff believes that by encouraging the development and use of voluntary safety standards, the level of product safety in the marketplace can be increased with a relatively small expenditure of CPSC resources, particularly when compared to the resources necessary to issue mandatory rules for consumer products.

The Chinese government has indicated that one of its strategic goals for 2010 is forming a national technical standards system that will put the overall technological level of Chinese standards on par with international standards for key areas. By 2020, China intends to upgrade its international standards involvement to an advanced level, putting China high in the ranking of international standardization contributors. During this process, CPSC staff will advocate developing and using consumer product safety standards that provide at least the current level of consumer product safety found in the United States and will encourage an enhanced level of consumer product safety where reasonable.

In the U.S. private sector, the U.S. Standards Strategy (formerly called the National Standards Strategy) was approved in 2005.⁹ The core principles for the developing voluntary consumer product safety standards as detailed in U. S. Standards Strategy are listed below.

- Decisions are reached through **consensus** among those affected.
- Participation is **open** to all affected interests.
- **Balance** is maintained among competing interests.
- The process is **transparent**; information on the process and progress is directly available.
- **Due process** assures that all views will be considered and that appeals are possible.

⁹ American National Standards Institute (ANSI), *United States Standards Strategy* (Dec. 8, 2005).

- The process is *flexible*, allowing the use of different methodologies to meet the needs of different technology and product sectors.
- The process is *timely*, purely administrative matters do not slow down the work.
- Standards activities are *coherent*, avoiding overlap or conflict.
- Standards are *data-driven*, based on sound science.

While the United States continues to work toward protecting and improving safety by exporting its principles and practices internationally, the European Union (EU) is aggressively and successfully promoting its own technology and practices to other nations around the world, including China. The EU accomplishes this through its own standards processes and through national representation and influence on the international standards activities of the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the International Telecommunications Union (ITU). In the past, China has not made a commitment to select U.S.-based standards as its government standards, but will select standards at the primary point of sale that are most relevant.

Some ISO and IEC standards may not reflect U.S. safety needs or practices. The exclusion of technology supporting U.S. safety needs from global standards can be a significant detriment to the level of consumer product safety in the U.S. and elsewhere. When U.S. safety standards are not accepted by other countries, American safety may be threatened by imported products. Thus, several advantages may result if CPSC staff emphasizes and persuades its regulatory counterparts to implement and follow U.S. standards: fewer World Trade Organization (WTO) conflicts may take place; fewer U.S. regulatory actions may be required against imports; and, most importantly, U.S. consumers will be safer.

4.2 CORE MANUFACTURING PRINCIPLES

Manufacturers have the responsibility to design, produce, and market products in ways that will reduce or eliminate unreasonable risks of hazards to consumers. Product standards generally provide requirements for minimal levels of safety performance. Responsible manufacturers often go beyond the standards to develop products that are robustly safe when used by consumers.

Most hazards associated with consumer products are due to inadequate design, production, and/or quality control practices. Sometimes, product failures or consumer injuries are accounted for by the manner in which consumers use their products. The design of a product, under CPSC regulations, must account for reasonable foreseeable handling and use, including misuse of a product by children. Human Factors experts can provide an analytical and practical basis for designing products that are particularly suited for easy and safe use.

Manufacturers have the ability to quickly affect product safety in the marketplace. Designing and manufacturing safe consumer products are best accomplished through a comprehensive systems approach that incorporates safety into every step from product design to supply chain management

and end use by the consumer. Using a systematic approach that is fully endorsed by the manufacturer's executive management creates a company culture oriented toward product safety.

There are many ways for a manufacturer to learn about and understand these fundamental principles for ensuring consistent quality and performance to recognized safety standards. CPSC staff believes that this is critical. The CPSC produced a booklet that outlines and discusses these core principles in the *Handbook for Manufacturing Safer Consumer Products*.¹⁰

4.3 CONFORMITY ASSESSMENT

There is an inseparable link between the importance of designing and manufacturing products to meet mandatory rules or voluntary standards and the need for conformity assessment. Conformity assessment is necessary to ensure that a product has been designed for safety, meets all applicable mandatory rules and voluntary standards, and is manufactured consistently to meet the design specifications. CPSC staff consulted with colleagues at the NIST, as well as private-sector experts in an open meeting at agency headquarters, to determine how a manufacturer, importer/distributor, brand owner, or retailer can be reasonably assured that they are bringing safe products to the American consumer. The CPSC Conformity Assessment Message (*Appendix D*) resulted from these discussions.

Products regulated by the CPSC fall into three basic categories for conformity assessment. They are:

- Consumer products that conform to CPSC mandatory rules,
- Consumer products that are normally certified to safety standards for use in the United States, or
- Consumer products that do not have mandatory rules and for which certification programs are not generally available in the United States.

The conformity assessment procedures for products that must meet CPSC mandatory rules (e.g., fireworks and bicycle helmets) are included in the applicable mandatory rule. They consist predominately of the manufacturer's declaration of conformity to the standard, which should be based on testing. For products **not** subject to CPSC regulatory standards, conformity assessment methods may be driven by other regulatory requirements (state and/or local), other safety standards, and certification. Many product types are not covered by mandatory rules and/or certification in the United States. For these products, CPSC is encouraging retailers and distributors to consider specifying testing to appropriate safety standards.

¹⁰ Further information about the Handbook can be found in Section 5.8.

Conformity Assessment in China

Chinese manufacturers are already regulated by a conformity assessment system. General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) is China's government agency responsible for the supervision and administration of China's import and export commodity inspection, certification and standardization in accordance with the laws and regulations of China.

In April 2001, AQSIQ quickly established the Standardization Administration of China (SAC) and the China National Regulatory Commission for Certification and Accreditation (CNCA). AQSIQ supervises the two bodies' budgets, but China's State Council oversees their policy-related activities. SAC establishes and oversees national standards. This role involves setting the annual standards agenda, coordinating the drafting of technical standards with the various technical committees, and representing China at international standards organizations.

CNCA applies the same standards, technical regulations, and conformity assessment procedures to both imported and domestic products, i.e., products to be sold in China.¹¹ China possesses a compulsory product certification system under which 132 categories of products are required to be certified for compliance with China's national standards, the Guo Biao Standards (referred to as "GB" Standards). Once certified, the products on this compulsory list bear the system's China Compulsory Certification, namely, the CCC Mark. A significant number of the products required to comply with GB standards and bear the CCC Mark are consumer products under CPSC's jurisdiction.

4.3.1 Mandatory Rules and Voluntary Standards

CPSC has relatively few mandatory rules. For consumer products **not** subject to CPSC mandatory rules, CPSC promotes using voluntary standards for guidance on important safety criteria. U.S. voluntary standards are developed by hundreds of standards developing organizations, many of which are accredited by the American National Standards Institute (ANSI). Examples of U.S. voluntary standards which, if met, would have obviated the need for a product recall include:

- Electrical Cords - UL 817
- Holiday Lighting - UL 588
- Hair dryer - UL 859
- Outdoor Gas Grill - ANSI Z21.58b/CGA 1.6b
- Baby Walker - ASTM F977
- Candles - ASTM F2058/ASTM F2179

¹¹ Office of the United States Trade Representative, *2005 National Trade Estimate Report on Foreign Trade Barriers* [2005], available at http://www.ustr.gov/assets/Document_Library/Reports_Publications/2005/2005_NTE_Report/asset_upload_file469_7460.pdf.

Compliance with applicable mandatory rules and voluntary standards through certification and/or testing along with design and production practices outlined in the *Handbook for Manufacturing Safer Consumer Products* are two significant steps to ensure compliance with U.S. consumer product safety laws.

4.3.2 Certification

All manufacturers, including Chinese manufacturers, are encouraged to participate in U.S. certification programs, where applicable. **Certification** of products usually entails a **third party** (independent of the manufacturer and customer) testing the product to determine if it conforms to applicable standard(s) and conducting surveillance activities to ensure that production continues to comply with the safety requirements. A certification mark is usually affixed to attest to the product's compliance. Recognized certifiers of electrical products in the United States are accredited by the Department of Labor's Occupational Safety and Health Administration as Nationally Recognized Testing Laboratories (NRTL).

Ideally, where a certification program exists for a particular consumer product, manufacturers will get their products certified, and U.S. retailers will require such certification for U.S.-bound products. Examples of current certification programs include those of the American Fireworks Standards Laboratory (AFSL) for fireworks, and the programs of Intertek Testing Services, Underwriters Laboratories (UL), and the Canadian Standards Association (CSA) for electrical and other consumer products. U.S. retailers should expect, at a minimum, testing (internally or externally) by a laboratory accredited to the ISO/IEC 17025 standard. In addition, U.S. retailers should expect manufacturers to employ appropriate quality management systems. Where manufacturers' activities involve design, appropriate U.S. safety standards should be identified, translated, and incorporated into the product's design. To this end, product safety engineering training for key design staff is essential.

The important elements for a certification program are described in ISO/IEC Guide 65. The test laboratory should be accredited to ISO/IEC 17025. The **first party** (manufacturer or supplier) may assure conformance to the standard through its quality system and testing or inspection that the supplier undertakes or authorizes others to undertake on its behalf. This method is usually referred to as the **supplier's declaration of conformity**. **Second party** (buyer or customer) assurance of conformance to the standard is another method of conformity assessment that is common in the United States.

Third party (certification bodies) may be accredited as to its competence by bodies following ISO/IEC standards and guides. In the U.S., ANSI provides an accreditation program for product certification bodies. Laboratories may also be accredited for competence by accreditation bodies following ISO/IEC standards and guides. There are many laboratory accreditation bodies in the United States, and worldwide, which often specialize in accreditation of a specific type of laboratory. An example of a laboratory accreditation program in the United States is the American Association for Laboratory Accreditation (A2LA).

4.3.3 Testing

Appropriate testing is encouraged for consumer products with no certification programs. Entities such as retailers and distributors that have a stake in a product's compliance with safety standards can use testing by accredited laboratories.

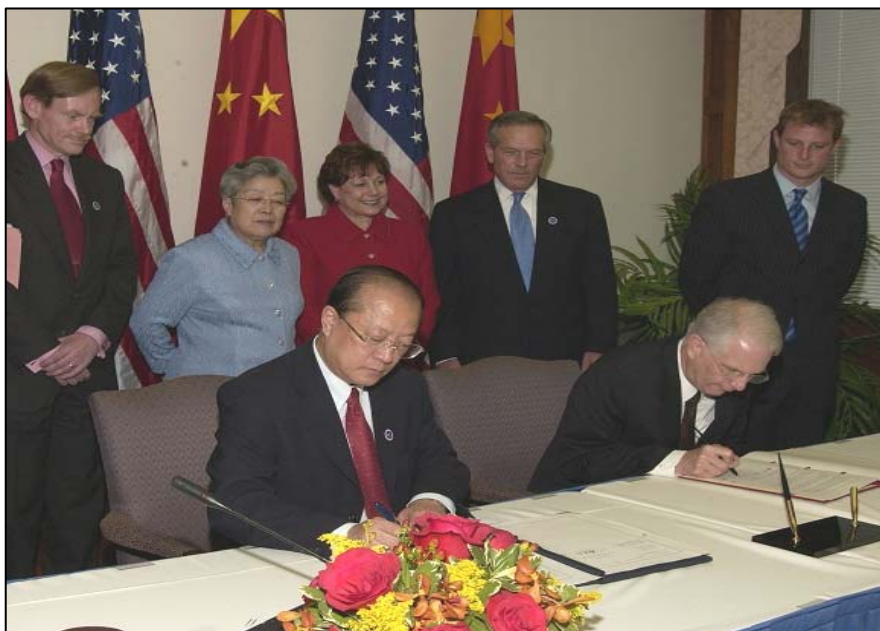
Testing does not cover manufacturing activities as comprehensively as certification does. In addition to testing, certification programs include surveillance, which may provide factory inspection of production, pre-market and post-market product testing along with the audit of safety-related quality controls. Testing is generally conducted on samples that represent production; however, this may not provide adequate confidence in the compliance of each product. In the absence of certification programs, additional methods to ensure continued compliance may need to be considered. Any change in design, materials, components and/or production processes needs to be evaluated for their impact on compliance with safety standards. Retesting a revised product may be necessary to demonstrate compliance of the revised product to safety standards. Additionally, care must be taken to ensure that test samples are truly representative of production. Testing products that do not truly represent production, i.e., the so-called “golden samples” that may simply represent the best of the production run, may provide a false confidence in the continued compliance of the product to safety requirements.

When choosing a laboratory or accepting test results from a laboratory, consider the independence of the laboratory from the supplier/manufacturer, the laboratory's credentials, and its scope of accreditation for coverage of the tests conducted.¹² Understanding the business relationship between a laboratory and the manufacturer and/or supplier is one factor in assessing the integrity of a laboratory's results. Accreditation can provide confidence in a laboratory's management, operations, and technical competence. Laboratory accreditation has an associated scope. The scope covers the standards or disciplines for which competence has been demonstrated to the accreditor. It is crucial that a laboratory's scope of accreditation match the testing conducted.

All types of assurance of conformance to product standards (third-party certification, supplier's declaration, and second-party assurance) have their benefits and are capable of producing reliable results. Often, third-party certification is considered preferable because of the independence of the certifier from the supplier and customer. However, a well designed first- or second-party system can often satisfy the needs of a regulatory body such as CPSC.

¹² For example, formal accreditation to ISO/IEC 17025.

5 CPSC STAFF ACTIVITIES



Minister Li Chiangjiang and Chairman Hal Stratton signing the Memorandum of Understanding.

5.1 MEMORANDUM OF UNDERSTANDING (MOU) WITH AQSIQ

As an acknowledgement of the growing importance of product safety issues in the United States with regard to goods imported from China and the need for mutual cooperation to address these issues, China's AQSIQ and CPSC signed an MOU on April 21, 2004 (*Appendix E*). The intention of the MOU is to protect the health and safety of U.S. and Chinese consumers, without inhibiting free trade between the countries. Both participants agreed to cooperate in areas that are within the scope of their jurisdictions and within the scope of products of mutual concern.

The AQSIQ – CPSC MOU covers seven specific areas of cooperation:

1. Exchange of scientific, technical, and regulatory information to help ensure the quality, safety, and proper labeling of certain specified consumer products;
2. Recognition of the list of consumer products for cooperation;
3. Exchange of information on emerging issues;
4. Consultation on consumer product safety problems relating to consumer products that are manufactured in one of the countries and sold in the other and are included in the MOU;

5. Consideration of inspection results obtained by the laboratories authorized by the other country;
6. Participation in training of laboratory and inspection personnel of the other country, as mutually agreed in advance; and
7. Development of a Plan of Action on Cooperation.

During the summer of 2005, CPSC staff worked cooperatively with AQSIQ personnel to develop the *Plan of Action on Cooperation* that describes the activities that will take place under the terms of the MOU. The *Plan of Action on Cooperation* outlines the scope and details of cooperation for each activity (Section 5.6; *Appendix H*).

5.2 OPEN DIALOGUES AND PUBLIC MEETINGS

Engaging stakeholders has been a critical component in the development of the China Program. The varied experience of the product safety community involved at the consumer, private sector, and federal government levels has deepened CPSC staff understanding of some of the complexities of domestic and international trade, testing and certification, design and manufacturing practices, and emerging foreign manufacturing entities. CPSC staff welcomes this informational exchange and holds public meetings on various platforms to advance its understanding of stakeholders' views.

Open dialogues, such as roundtable events and public meetings, provide information and ideas for how consumer product safety in the United States can be maintained and improved for products manufactured in China. They provide a sounding board for elements of the China Program and related activities. Ultimately, these exchanges have resulted in the formulation of a plan to improve the safety of products imported from China for use by the American consumer.

The meetings are open to all interested parties and are announced on CPSC's public calendar. Invitations are sent in advance to anyone who has had previous contact with the China Program efforts or anyone else requesting notice. A cross-section of stakeholders has attended the meetings including, but not limited to, representatives from consumer interest groups, standards developing organizations, testing and certification laboratories, large retail and discount stores, trade associations, import associations, academia, and other federal agencies.

CPSC staff held the first Open Dialogue on June 1, 2005. The purpose of this meeting was to solicit public comments on the *DRAFT INTERNATIONAL CONSUMER PRODUCT SAFETY PROGRAM PLAN-CHINA* (May 25, 2005). CPSC staff accepted written comments through June 2005, which were reviewed, considered, and incorporated as appropriate.

Staff held a second public meeting on September 16, 2005 to brief interested stakeholders on the Sino-American Consumer Product Safety Summit. The CPSC delegation provided summaries of the Working Groups (cigarette lighter, electrical products, fireworks, and toys) and described bilateral

meetings held with AQSIQ, Ministry of Commerce (MOFCOM) and other Chinese government officials. The Summit took place in Beijing, China on August 30-31, 2005.¹³

On November 3, 2005, CPSC staff held a third meeting in a roundtable discussion format. The “CPSC Staff Public Dialogue on CPSC China Initiative: *Handbook for Manufacturing Safer Consumer Products* and the Testing Message” generated constructive remarks from its participants on issues germane to the staff *Handbook* and the CPSC conformity assessment message.

Agendas and attendee lists for all open meetings can be obtained by contacting Todd Stevenson, Office of the Secretary, CPSC at tstevenson@cpsc.gov.

5.3 2005 U.S. - CHINA STANDARDS WORKSHOP

In August 2005, CPSC staff emphasized the importance of complying with U.S. voluntary standards at a joint U.S.-China sponsored workshop. The U.S. Department of Commerce (Commerce), in conjunction with AQSIQ, hosted the “2005 U.S.-China Workshop on Standards and Conformity Assessment.” In addition to Commerce and CPSC, other U.S. agencies involved in the discussions included the Environmental Protection Agency (EPA); Department of Labor-Occupational Safety and Health Administration (OSHA) the Mine Safety and Health Administration (MSHA); and the Department of Defense-Defense Standardization Office. The NIST, International Trade Administration (ITA), and the Technology Administration represented the Commerce Department.

The workshop included sessions specific to information and communication technologies, electrical equipment, and safety equipment, in addition to those on standards development and conformity assessment. Colin Church, CPSC Voluntary Standards Coordinator, gave a presentation on the importance of voluntary safety standards and provided details of a case study that CPSC staff had undertaken on voluntary standards in juvenile products. Staff searched Chinese, ISO or IEC standards for 25 priority juvenile product categories (baby walkers, gates, swings, cradles, bed rails, bunk beds, etc). Of these, staff found standards for only three product categories. Mr. Church used this example to illustrate the need for the Chinese to use U.S. voluntary standards for products sold in the United States and to consider their adoption if no Chinese standards currently exist.

The workshop was the latest in a series of dialogues between Commerce and AQSIQ standards and regulatory officials. Commerce Secretary Donald Evans initiated this work in 2003, when Commerce and AQSIQ recognized the importance for bilateral understanding of these issues. They agreed to hold two workshops on standards and conformity assessment. The 2004 workshop was held in Beijing, China. Although not intended to be held as an annual event, Commerce may hold further sessions in the future and welcomes continued CPSC participation.

¹³ Further discussion of the Summit is found in Section 5.5.

5.4 STANDARDS TRANSLATION ACTIVITIES

To determine how to promote the use and understanding of U.S. standards to Chinese manufacturers, CPSC staff examined the most problematic categories of imported products and standards applicable to these products. While Chinese manufacturers may manufacture products specifically for the U.S. market, they may produce products for the domestic (Chinese market) and offer these same products for sale abroad. China requires many of its product categories to carry its CCC Mark, which certifies that the product meets the applicable Chinese GB standards. However, these standards may not be parallel to U.S. consumer product safety requirements. It was necessary to determine whether new or revised safety standards are needed in China or whether greater understanding of the U.S. standard developing system is needed by the Chinese manufacturers.

CPSC staff performed a comparative study of U.S. and Chinese product safety standards applicable to imported consumer products from China for which there have been product recalls. The purpose of this study was to understand the breadth of GB standard categories and how they might compare to U.S. mandatory rules and voluntary standards. Not all violations result in recalls. However, recalls are conducted when a product poses a particularly serious threat to consumer health and safety. As such, product recalls are a rich source of data on the types of standards that are violated and the prevalence of these violations.

The initial phase of the comparative study involved the gathering of relevant data for recalled products. CPSC staff developed a spreadsheet of recalled Chinese consumer product imports, the Consumer Product Safety Standards Matrix (Matrix) (*Appendix F*). The Matrix encompasses recalled products imported from China that failed to meet a CPSC mandatory rule from October 1997 to April 2005, as well as recalled Chinese imports generally reported by companies under Section 15(b) of the CPSA that were recalled from October 1980 to April 2005. All products in the Matrix were recalled. The Matrix includes information on the total number of recalled units, the total number of cases, and the potential hazard that the products represent.

CPSC staff identified the applicable U.S. standards (i.e., U.S. voluntary standard or CPSC mandatory rule) addressing the safety of each of the products and matched them with the products on the list of recalled Chinese imports. The product categories also were matched with their corresponding Harmonized Tariff Schedule (HTS) codes.¹⁴ This helped determine if any Chinese mandatory rule was applicable and showed those product categories required to bear the Chinese CCC Mark.

¹⁴ The Harmonized Tariff Schedule of the United States (HTS) was enacted by the U.S. Congress and made effective on January 1, 1989, replacing the former Tariff Schedules of the United States. The HTS comprises a hierarchical structure for describing all goods in trade for duty, quota, and statistical purposes. This structure is based upon the international Harmonized Commodity Description and Coding System (HS), administered by the World Customs Organization in Brussels. Office of the U.S. Trade Representative, *Tariff Information Center*, at <http://www.usitc.gov/tata/>.

To determine the applicable Chinese standard for each product category, CPSC staff searched the International Handling Services list of 100,000 standards from around the world. GB and ISO/IEC standards were identified that might correspond to product violations for the CPSC list of recalled products and added to the Matrix. It was possible to identify Chinese and ISO/IEC standards that were believed to correspond with CPSC problem products.

The following is an example of a recalled product entry within the Matrix:

Product Description	Hazard	No. of Cases	No. of Units Recalled	HTS	Standard Number	Standard Title	CPSC Statute	GB Standard CNIS	ISO/IEC Standard
Microwave ovens	Fire	1	1,824,934	8516.5	UL 923	Microwave cooking appliances	CPSA	GB 4706.1-92 & GB 4706.21-96	IEC 60335-1 & IEC 60335-2-25

While this work highlighted product areas for which a Chinese or other international standard may not even exist, where the standards do exist it is still unknown how these standards compare with U.S. mandatory rules and voluntary standards. CPSC staff completed the Matrix based on limited information, primarily titles. There was no comparison of the “level of safety” between the different standards because there is no English description of the standard available. For example, while both countries may have a mandatory rule for toys, it is not known whether the safety specifications for small parts under the U.S. mandatory rule for toys are parallel to those in the Chinese mandatory rule, or whether a small parts provision of these rules even exists.

As such, CPSC staff entered a second phase of standards comparison. The American National Standards Institute (ANSI) received a grant from NIST to fund the translation of the titles and scopes of 1,000 Chinese GB standards into English and 1,000 U.S. standards into Chinese. CPSC submitted its Matrix of 104 standards in 85 product categories as a requested list of titles/scopes for translation (*Appendix F*). If accepted, the ANSI work will advance the analysis of the Matrix data, as it will facilitate a more direct comparison of “comparable” U.S. and Chinese standards for each recalled product category.

By translating these standards, CPSC staff can identify how safety provisions of standards used by the Chinese may leave products at the risk of recall in the United States because of differences in safety standards. The final step, comparing the scopes of the standards by CPSC staff, can emphasize to Chinese government officials and manufacturers the need for Chinese products bound for the U.S. to meet the level of consumer product safety found in standards used by the CPSC.

More specifically, this future work will enable CPSC staff to determine whether to advocate enhanced consumer product safety standards and safety standard provisions with the SAC (responsible for establishing and overseeing Chinese national standards). The results will suggest changes to China’s safety standards, to better ensure that Chinese products are compliant with U.S. mandatory rules and voluntary safety standards.

5.5 SINO-AMERICAN CONSUMER PRODUCT SAFETY SUMMIT



Chairman Hal Stratton and Minister Li Chiangjiang after signing the Plan of Action on August 30, 2005.

The MOU signed by CPSC and AQSIQ on April 25, 2004 provided for the first Sino-American Consumer Product Safety Summit (Summit), which was held on August 30-31, 2005. Led by CPSC Chairman Hal Stratton, a delegation of CPSC senior staff and private sector leaders traveled to Beijing for the two-day Summit held at AQSIQ Headquarters (*Table 3*; see *Appendix G* for Summit agenda). Executives from major U.S. retailers, manufacturers, consumer product trade associations, testing laboratories, and certification bodies attended and presented.

Table 3: U.S. Attendees at the 2005 Sino-American Consumer Product Safety Summit

<u>Sector</u>	<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
<i>U.S. Government</i>	Hal Stratton	Chairman	CPSC
	Joseph Mohorovic	Chief of Staff and Director, IPIA	CPSC
	Page Faulk	General Counsel	CPSC
	Edward Richards	Senior Counsel to the Chairman	CPSC
	Robert Raffety	Counsel to the Chairman	CPSC
	Gib Mullan	Associate Executive Director, Compliance	CPSC
	Ryan Breitenbach	Staff Director and Counsel Subcommittee on Consumer Affairs, Product Safety, and Insurance	U.S. Senate
<i>Retailers</i>	Chris Anderson	General Manager	Best Buy

<u>Sector</u>	<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
	Britton Russell	Senior Director	Home Depot
	David Lang	Director QA	Home Depot
	Frank Loncar	Vice President	Lowes
	Judy Chung	Managing Director, Shanghai	Target
	Jeff Miller	Managing Director, TCPS Asia	Target
	Chiqui Cui	Managing Director, Greater China	Wal-Mart
	Richard Chen	QA Audit and Training Manager	Wal-Mart
<u>Testing Laboratories</u>	Rob Griffin	President and CEO	Canadian Standards Association (CSA)
	Doug Geralde	Director	CSA
	Suzanne Kiraly	Vice President	CSA
	Gregg Tiemann	President	ETL SEMKO Americas
	Francis Yuk	Vice President	Intertek
	Keith Williams	President and CEO	Underwriter's Laboratories (UL)
	August Schaeffer	Senior Vice President	UL
	Ann Weeks	Director, International Affairs	UL
<u>Standard Developing Organizations</u>	Chris Lanzit	Director	Consortium for China Standards and Conformity Assessment (CSCA)
<u>Industry</u>	John Rogers	Executive Director	American Fireworks Standards Laboratory (AFSL)
	Joseph McGuire	President	American Home Appliance Manufacturers (AHAM)
	Evan Gaddis	President	Gas Appliance Manufacturers Association (GAMA)
	Jim Walter	Senior Vice President	Mattel

5.5.1 Summit Day 1 - August 30, 2005

Chairman Stratton and Minister Li Chiangjiang (AQSIQ) opened the Summit with introductory remarks to senior members of each delegation. The signing ceremony for the Plan of Action on Cooperation (PAC) immediately followed these remarks. This agreement is discussed in Section 5.6.

Morning Plenary Meeting

Following the signing ceremony, Chairman Stratton and AQSIQ Vice Minister Ge Zhirong attended the morning plenary sessions, at which Deputy Director General of the Department of Supervision on Inspection, Yuan Changxiang, and the CPSC Director of IPIA, Joseph Mohorovic, presided.

Speaker: Wang Xin

Wang Xin, Director General of the Department of Supervision on Inspection, AQSIQ, introduced AQSIQ and its role in consumer product safety in China. He explained that AQSIQ has responsibility for the drafting and implementation of laws and regulations in its areas of jurisdiction. AQSIQ supervises product quality, investigates product accidents, and has an initiative against illegal activities, such as counterfeit products. He described AQSIQ's responsibility for implementing statutory inspection and supervision of import and export commodities and noted that it also approves and supervises foreign-related inspection agencies. In addition, AQSIQ coordinates international cooperation in the area of quality supervision, inspection, and quarantine. Mr. Wang finished with a review of the major laws that AQSIQ administers and explained the two sections of AQSIQ: the Certification and Accreditation Administration (CNCA) and the Standard Administration of China (SAC).

"A product that contains a substantial product hazard is not allowed to be imported into the United States. It is unlawful to sell or distribute in the United States products that contain a substantial product hazard and severe penalties and fines can be levied by the CPSC for failures to comply with the law."

- Joseph P. Mohorovic, Chief of Staff and Director, IPIA

Speaker: Joseph Mohorovic

Joseph Mohorovic presented CPSC's role in consumer product safety, beginning with a brief overview of the agency. He then reviewed data showing the enormous impact that Chinese manufactured consumer goods have on the American consumer and economy. He pointed out that not only is China the leading source of imported consumer products under the CPSC's jurisdiction, but China is also the leading foreign source of consumer goods for CPSC-directed product recalls and seizures at U.S. ports of entry (Section 3.2). Mr. Mohorovic emphasized CPSC's Three-Part Safety Message: comply with both U.S. mandatory rules and voluntary safety standards; practice sound manufacturing principles as outlined in the *Handbook for Manufacturing Safer Consumer Products*; and test your products.

Afternoon Session

Page Faulk, CPSC General Counsel, and Wang Xin convened the afternoon session. Sun Xuliang, Department of Planning and Information for SAC discussed the Chinese standard system and its adoption of international standards.

Speaker: Chiqui Cui

Chiqui Cui, Managing Director for Greater China/North Asia in Global Procurement, Wal-Mart, provided the U.S. retailer perspective on consumer product safety. Mr. Cui emphasized that customers trust them to provide safe products, but in addition to their customers, retailers also have a responsibility to U.S. government agencies. Retailers must rely on their manufacturers to do their part to ensure product safety, just as they must trust that standards organizations and certification bodies and independent testing laboratories are doing their part. He outlined the responsibilities and importance of each of these “partners” in promoting and ensuring product safety and then discussed the retailers’ responsibilities.

“Our customers place their trust in us. They trust us to provide the items they and their families need and want. They trust us to make sure those products are safe.”

-Chiqui Cui, Wal-Mart

Speaker: Yuan Changxiang

Yuan Changxiang presented the Chinese perspective on improving consumer product safety and quality. Mr. Yuan discussed the AQSIQ inspection standards for goods imported into China and the use of international standards for inspecting imported and exported goods. Generally, AQSIQ inspects exports for quantity, packaging, and compliance with Chinese safety and health requirements. It has both statutory and “spot-check” inspection systems. Mr. Yuan discussed several bilateral inspection agreements, which are narrow in scope (e.g., the Sino-U.S. MOU on ceramics exported from China to the United States). He suggested consulting with the Chinese government when defective products are encountered before decisions are made as to how to handle the problem. He also suggested the mutual exchange of technical and administrative experts.

“...Our most valuable asset is our brands. A strong brand takes years to develop, yet can be destroyed in a very short time. Our most valuable stakeholder is our consumer. Strong brands develop because consumers perceive value. Consumers assume that products are safe...We protect our brands by assuring that our products are safe.”

-Jim Walter, Vice President, Mattel

Speaker: Jim Walter

Jim Walter, Senior Vice President of World Wide Quality Assurance for Mattel, talked about product safety from the vantage point of a U.S. manufacturer outsourcing to China. He stated that his company’s most valuable asset is its brand name, which takes years to develop and can be destroyed quickly. The toy industry values the safety reputation of its brands because U.S.

consumers demand safe products for their children. Mr. Walter emphasized the importance of quality control, quality assurance, and product testing, while working with laboratories that understand safety standards. He stated the Chinese know that industry in the U.S. helps ensure a better understanding of safety standards by working with the regulators, bringing issues to their attention, and participating in regulatory and standards development.

Speaker: Xie Jun

Xie Jun, Director General for International Cooperation, CNCA, discussed “Chinese Certification and Accreditation Policy and Implementation.” Mr. Xie stated that the Chinese want to set up a unified system for accreditation, to implement compulsory certification in conjunction with voluntary certification, and to develop a unified laboratory qualification assessment system. CNCA, a branch of AQSIQ, also intends to develop its legal system for accreditation and certification activities and to provide administration for these activities. Mr. Xie stated that CNCA would like to open the testing and certification markets and encourage Chinese enterprises to “go abroad.” He believes that the Chinese should seek opportunities to participate in international standards activities so that their work can be recognized internationally.

Mr. Xie described the function of CNCA, which is the administration and supervision of Chinese certification and accreditation activities, including:

- Drafting laws and regulations for certification and accreditation;
- Qualifying the technical competence of testing, calibration, and inspection bodies;
- Establishing and implementing the Chinese compulsory certification system;
- Registering the manufacturing and processing of food/cosmetics for import/export; and
- Coordinating the above international cooperative activities, including implementation of international guidelines and standards.

Mr. Xie also discussed the China National Accreditation Service (CNAS), which accredits the qualifications of certifiers and laboratories, and registers auditors and inspectors. He re-stated China’s interest in gaining the confidence of the international community for its certification and accreditation work, as China has signed a number of Mutual Recognition Agreements (MRA) in both certification and accreditation areas.

Speaker: Keith Williams

Keith Williams, President and CEO of Underwriter's Laboratories (UL), discussed the necessity for compliance with regulatory obligations. He noted that trade liberalization has prompted manufacturers to globalize their supply chains and use a "design anywhere, build anywhere" attitude. He stated that the pressure on manufacturers to reduce costs to maximize revenues must be balanced with producing safe quality products. Standards and technical regulations affected more than \$5.8 billion of products traded globally in 2003 and it can be difficult for manufacturers to meet safety requirements for multiple markets.

"The testing organizations, industry associations, and companies represented here today, among others, have long collaborated with CPSC to identify, investigate, and mitigate product hazards for consumers...Open communication and information sharing lead to greater safety gains for consumers. UL stands ready to serve as partners with CPSC and AQSIO, retailers, industry, and other stakeholder groups to advance product safety."

-Keith Williams, President and CEO,
Underwriters Laboratories

Mr. Williams stressed the need for early involvement in product review and system hazards while a product is being developed and in risk assessment and management decisions. He also stressed the need for a public-private partnership in developing sound and successful regulations. Mr. Williams offered the cooperation of UL, Intertek, the Canadian Standards Association (CSA) and other organizations in advancing product safety through partnerships with

- Chinese manufacturers and associations, to teach them about hazard-based safety engineering practices;
- Retailers and importers, to work on safety messaging and designing compliance into sourcing; and
- Government agencies, to build consumer awareness about safe behavioral practices and ways to address counterfeiting.

5.5.2 Summit Day 2 - August 31, 2005

Morning Plenary Session

Ms. Faulk and Mr. Wang again chaired the plenary session.

Speaker: Cai Wei

Cai Wei, Department for Policy and Legal Affairs of CNCA, discussed the Chinese legal system as it applies to certification and accreditation. China has one regulatory system for certification and accreditation activities and CNCA approval is necessary before a certification body, inspection body, or laboratory can operate within a particular scope. China has both compulsory and voluntary certifications. Mr. Cai reviewed the administrative rules and laws governing certification and accreditation, which include product areas outside the jurisdiction of CPSC, such as agricultural products. He also discussed penalties for being noncompliant with the regulations, and training of personnel.

Speaker: John Gibson “Gib” Mullan

Gib Mullan, Associate Executive Director for the Office of Compliance, CPSC, spoke about CPSC compliance efforts. He reviewed the mandatory rules and laws, noting particular products for each category. He discussed the critical role of voluntary standards, and the manner in which CPSC staff works toward their development. Mr. Mullan also reviewed the definition of a “substantial product hazard” under CPSC regulations. To avoid problems with the U.S.

government at ports of entry, manufacturers should comply with both CPSC mandatory rules and private sector voluntary standards. Mr. Mullan reiterated the need for proper testing to ensure that a product complies with the appropriate standards.

“...We place our trust in our manufacturer and supplier partners. We trust them to be knowledgeable. They need to provide the appropriate technical expertise within their organization. They must educate everyone involved from development through sales and manufacturing of their part in product safety. They must be knowledgeable and only offer us those items that are safe and meet all applicable requirements”.

-Chiqui Cui, Wal-Mart

Speaker: Jin Liping

Jin Liping of CNCA discussed the CCC system for certifying products for sale in their country. Certified products bear the “CCC” Mark. CNCA supervises market access of products subject to CCC certification, including products sold through catalogues, and has local quality and technical supervision.

He provided the number of CCC certificates issued in China. Of the 171,394 total CCC certificates reported to have been issued, products from domestic manufacturers accounted for 158,507 while foreign manufacturers accounted for 13,238. There were 6,322 certificates of voluntary product certification issued. The remainder of the total (165,072) is assumed to be mandatory certification. Mr. Jin also noted that there are 106 certification bodies accredited by the China National Accreditation Board for Certifiers (CNAB) and 2,039 laboratories accredited

by the China National Accreditation Board for Laboratories (CNAL). CNCA is currently revising certification rules, which may include work to shorten the certification period. Mr. Jin acknowledged the Chinese desire international recognition of their certification system.

“...World-class manufacturers build safety in at all levels of the product development cycle. Each country and government can learn from each other on approaches to standards and manufacturer practices which work to promote safety while minimizing the cost burden...”

-Joseph McGuire, President, American Home Appliance Manufacturers Association

Speaker: Joseph McGuire

Joseph McGuire, President of the Association of Home Appliance Manufacturers (AHAM), described some of the elements that are needed for a commitment to safety in the United States: adherence to mandatory rules and voluntary standards; the need for conformity assessment; the protection of intellectual property; and retailer cooperation. Mr. McGuire noted that the counterfeiting of safety marks is a growing problem that threatens product safety. He praised the

willingness of their Chinese counterpart, the China Household Electrical Appliances Association (CHEAA), for their spirit of cooperation with AHAM and described their work on an MOU to specifically address product safety.

Slides from the PowerPoint presentations used by the speakers at the Summit are posted on the CPSC website: www.cpsc.gov/businfo/china/china.html.

5.5.3 Meetings of the Priority Product Working Groups

Priority Product Working Groups (Working Groups) convened in four product areas: cigarette lighters, electrical products, fireworks, and toys. CPSC staff previously identified these product categories as areas of significant concern due to the high numbers of violative products in these areas. CPSC staff believes that having the Chinese focus on these categories of products will help reduce the number of their defective products and the potential for death and injury.

The Working Groups had common goals for their initial annual meetings. The goals were to:

1. Establish a mechanism for long-term dialogue between the United States and China in each of the respective fields;
2. Increase understanding of each country's regulatory approaches and the relevant technical regulations and standards for each product category;
3. Describe frequently encountered problems in the product category being discussed; and
4. Discuss general ways to improve the safety of the products in the respective category.

CPSC staff presented CPSC compliance data that supported its overall message to the Chinese (Fairall 2006). Each CPSC presenter also reviewed the provisions of the applicable standard(s) and provided a case study to illustrate the compelling problems that occur when the standards are not met (Fairall 2006; see *Tables 4-7*).

Table 4: Cigarette Lighter Working Group: CPSC Message and Support Data

Presenter	Page Faulk
Major Problem	Child resistant qualification reports not filed in advance.
Standards	<p><u>Mandatory Rules</u>¹⁵: 16 CFR 1210, Safety Standard for Cigarette Lighters (at least 85% of children who test a surrogate lighter in accordance with 16 CFR 1210.4 must not be able to make it work; mechanism that makes the lighter child resistant [CR] must reset automatically after lighting [qualification testing]; CR mechanism must not impair the safe operation of the lighter when the lighter is used in a normal and convenient manner; CR mechanism must work properly for the reasonably expected life of the lighter; users must not be able to easily override or undo the CR mechanism). After qualification testing, manufacturers and importers must certify that the lighters that they sell comply with the standard, and records on testing must be kept and be available to CPSC, if requested. Written report required 30 days before import or distribution into the U.S. must make certain declarations. Lighters that do not meet these requirements are in violation of CPSA. 15 U.S.C. 2057 and 2068(a)(1).</p> <p><u>Voluntary Standard</u>: ISO 9994 (ASTM F-400) Performance requirements, including maximum flame heights, flame extinction, withstanding internal pressure, maintaining structural integrity, maximum fuel levels, warning labels and use instructions. CPSC is currently considering whether to make this voluntary standard a mandatory rule.</p>
Hazard Type	Fire, with resultant burn injury and property damage.
Supporting Data	Most (95%) of cigarette lighters where a recall was requested between 1/1/99 and 12/31/04 did not have a written report filed 30 days in advance on the child resistant qualification testing.
CPSC Message	<ul style="list-style-type: none"> • At least 30 days before importation into the United States, a written report describing the results of child resistant testing must be filed. The report must contain a description of the lighters, test protocol, and results.

¹⁵CPSC is currently considering further mandatory standards for cigarette lighters by adopting the ASTM standard. An advance notice of proposed rulemaking (ANPR) was published in April 2005. Staff is currently monitoring compliance with the voluntary standard.

	<ul style="list-style-type: none"> • Manufacturers or importers <u>must certify</u> that the lighters comply with the CPSC mandatory rule. • CPSC recommends that lighters also meet the voluntary ISO 9994 (ASTM F-400) standard. The performance requirements of these standards should be considered the <u>minimum</u> acceptable requirements. • CPSC is currently considering making mandatory the voluntary ASTM cigarette lighter standard.
Case Study	<u>Gladstrong Investments Lighter Recall:</u> 13,000,000 disposable lighters recalled on April 17, 2001. Child resistant mechanisms were frequently ineffective.

Table 5: Electrical Products Working Group: CPSC Message and Support Data

Presenter	John Gibson Mullan
Major Problems	Lack of certification to voluntary standards—use of undersized wiring; mislabeling of wire size and certification marks; inadequate or absent protective devices (fuse, appliance leakage current interrupter [ALCI], ground-fault circuit interrupter [GFCI], etc.). Major problem products include extension cords, outlet strips, holiday lights, and hair dryers.
Standards	<p><u>Mandatory Rules:</u> None. However, mandatory reporting requirements under Section 15 of the CPSA and 16 CFR 1115 apply if a product fails to meet a consumer product safety rule, standard, or ban, contains a defect that could create a substantial product hazard, or creates an unreasonable risk of serious injury or death.</p> <p><u>Voluntary Standards:</u> Various voluntary standards apply to different types of electrical products, including: UL 588-Seasonal and Holiday Decorative Products UL 1363-Relocatable Power Taps (power strips) UL 1449-Transient Voltage Surge Suppressors UL 859-Household Electric Personal Grooming Appliances (hair dryers) UL 817-Cord Sets and Power Supply Cords</p>
Hazard Type	Electrocution, thermal burns; fire with resultant burns and property damage.
Supporting Data	Staff reviewed a <u>total of 199 electrical products made in China that were recalled</u> from 1999-2005 (Edwards 2006) (<i>Appendix J</i>). Of these, 56 products (28%) were listed by a third-party testing lab. ¹⁶ Many of these products did not meet the requirements in applicable voluntary standards. In some of these cases, however, the voluntary standards did not contain requirements to address the hazards for which the products were recalled.

¹⁶ Documents examined to determine whether a product was listed include Product Safety Assessment reports, quick evaluation or in-depth investigation reports, Section 15 database entries, and CPSC recall notices.

	<p>These situations often resulted in the development of new standards.¹⁷</p> <p>--73 products (37%) were not listed and did not meet current voluntary standards.</p> <p>--70 products (35%) had no documentation to confirm or discount a listing¹⁸.</p>
CPSC Message	<ul style="list-style-type: none"> • Electrical products should meet voluntary standards since there are no product specific mandatory rules (except electrically operated toys). • Certification strongly recommended for all electrical products.
Case Study	<p><u>Remington Hair Dryer Recall:</u> 3,000 hair dryers recalled on March 21, 2001. Not equipped with an ALCI plug, so may pose an electrocution hazard. Voluntary standards are in effect for this product, so if the hair dryer does not have the ALCI plug, CPSC staff considers the product to have a defect.</p>

¹⁷ Examples of new standards resulting from a recall are UL 2388-*Flexible Lighting Products*, for rope lights; IEEE P1725-*Rechargeable Batteries for Cellular Telephones*). Examples of new requirements in existing standards include the pressure test for the frothing nozzle of espresso machines and requirements to prevent the faceplate of a nightlight from breaking off and exposing live parts.

¹⁸Of these 70, staff believes that 33 were “probably” listed by a third-party testing laboratory. UL’s on-line certification directory lists the manufacturers as being qualified to use the UL Mark for the types of products that were recalled.

Table 6: Fireworks Working Group: CPSC Message and Support Data

Presenter	Edward Richards
Major Problem	Overloaded pyrotechnic material is the greatest problem. This is done to achieve a bigger “bang” or “report” (audible effect). Such overload violations are found in both ground (firecrackers) and aerial devices. Overload violations provide more explosive force, which can lead to greater injury. Additionally, unstable aerial fireworks can tip over during use and fire projectiles at those standing nearby.
Standards	<u>Mandatory Rules</u> : 16CFR Parts 1500 and 1507. Unlawful to import, distribute or sell fireworks that violate CPSC regulations. Cautionary labeling warns of dangers associated with use and states guidance for use. Specific types of fireworks that are banned are also identified. Performance and construction requirements are described and include chemicals that cannot be used in fireworks.
Hazard Type	Severe injuries, such as dismemberment, disfigurement, burns, and sensory damage
Supporting Data	<p>Almost 100% of consumer fireworks sold in the United States are from China. Over 75% of fireworks samples tested where a recall was <u>requested</u> between 1/1/99 and 12/31/04 had overloaded pyrotechnic material violations.¹⁹</p> <p>Compliance rates increased from 1996 to 2005: Non-AFSL tested fireworks: 26% (1996) to 53% (2005) compliant. AFSL tested fireworks: 36% (1996) to 83% (2005) compliant.</p>
CPSC Message	Manufacturers should use an established third-party testing program to ensure compliance with CPSC fireworks regulations.
Case Study	<u>Fireworks Seizure</u> : May 2005. Shipment arrived from China and was inspected. Invoice and packing list indicated that shipment contained consumer fireworks. Some appeared to be much larger than typical consumer fireworks. Samples of all 36 items in the shipment tested by CPSC and 24 of 36 items tested were in violation of CPSC regulations. Eighteen of these were overloaded with “report” material. CPSC worked with U.S. Customs and other agencies to have the shipment seized.

¹⁹ 101 of 132

Table 7: Toys Working Group: CPSC Message and Support Data

Presenter	Robert Raffety
Major Problem	Small parts violations, generally a problem in medium-to-small manufacturers/importers. Choking or aspiration risk to children.
Standards	<p><u>Mandatory Rules:</u> 16 CFR Part 1501. Small parts regulation bans toys and other articles for children under three years old. Products may be small parts, have small parts, or produce small parts after use and abuse testing.</p> <p>16 CFR Part 1303. Lead in paint. Prevents childhood poisoning from ingesting lead in paint chips, dust, or licking hands or toys containing lead paint.</p> <p>16 CFR Part 1511. Rattles and pacifiers. This rule helps prevent choking or suffocating on the product or pieces of the product.</p> <p>16 CFR Part 1500. Additional requirements banning small balls; labeling requirements for small parts in toys or products such as balloons or marbles for use by children ages three to six years old; flammability and sharp points/edges testing.</p> <p><u>Voluntary:</u> ASTM F963. Addresses squeeze toys; preschool play figures and other toys with spherical ends; strings, cords, and elastics; hemispherical shaped toys; toys with spherical ends intended for use by children under the age of 18 months old.</p>
Hazard Type	Choking, aspiration, and swallowing hazards
Supporting Data	Most toy samples tested when a recall was <u>requested</u> had small parts violations, violations of the mandatory standard. ²⁰
CPSC Message	Test for conformance to CPSC mandatory standard. Recommend that toys meet the voluntary standard, ASTM F 963.
Case Study	<u>Pokemon Ball Recall:</u> Burger King recalled 25,000,000 on Dec. 27, 1999. Suffocation hazard when ball separated into halves that fit snugly over child's nose and mouth. The Pokemon ball met the voluntary standard, but still

²⁰ Greater than 95% or 133 of 138 from 1/1/99-12/31/04

	<p>contained a defect that created a substantial risk of injury and was recalled under the FHSA. ASTM 963 was later amended to address this hazard.</p> <p><u>High Toys Choochoo Toy Train Recall:</u> Battery operated train that was recalled on April 20, 2005. Small parts were produced after use and abuse testing that posed a risk of choking, aspiration, or ingestion to children under the age of three.</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

At each of the Working Groups, the Chinese delegation reinforced the message that China's lab testing programs yielded results as reliable as those from other U.S. or international bodies and, therefore, results from Chinese test labs should be accepted in the United States. The Chinese delegation also called for harmonization of U.S. standards with international standards. The American delegation advised that the CPSC Three-Part Safety Message be followed to increase the safety of products exported from China. CPSC would like the AQSIQ website to contain a link to the CPSC website.

Future activities of the four Priority Product Working Groups are discussed in Section 5.5.3.

5.6 PLAN OF ACTION ON COOPERATION

In April 2004, the CPSC and AQSIQ formalized an agreement to cooperatively address consumer product safety issues from goods imported from China with the signing of the Memorandum of Understanding (MOU) (*Appendix E*). The AQSIQ – CPSC MOU covers particular areas of cooperation, but the manner in which these areas will be addressed by the two agencies was not specified (see Section 5.1). During the summer of 2005, CPSC staff worked with AQSIQ personnel to develop the *Action Plan on Consumer Product Safety*, referred to as the Plan of Action on Cooperation (PAC), which describes the scope and details of the activities under of the MOU. CPSC's Chairman Hal Stratton and AQSIQ's Minister Li signed the PAC on August 30, 2005, the opening day of the Sino-American Consumer Product Safety Summit (see *Appendix H*).

The objectives of the PAC are to:

- Protect the health and safety of the consumer;
- Enhance understanding and cooperation between CPSC and AQSIQ; and
- Establish a mechanism for communication, coordination, and resolution between CPSC and AQSIQ, particularly when significant safety events occur that require urgent consultation.

The PAC makes provisions for the following work to be completed as described:

1. Plan the next biennial Consumer Product Safety Summit (2007) with CPSC/AQSIQ and interested parties;
2. Plan and conduct the 2006 annual meeting of the Working Groups (cigarette lighters, electrical products, fireworks, and toys);
3. Determine members of each Working Group. Working groups will be comprised of government personnel;
4. Determine whether Working Groups are needed in other areas;
5. Identify the point of contact on both sides for exchanging information when the scope of consumer products changes or urgent consultations are necessary on safety problems with particular products;
6. Exchange information on changes to safety standards, technical regulations, and conformity assessment issues; and
7. Exchange personnel engaged in laboratory, inspection, and/or administration for training and/or work at the other's facility upon request, at the expense of the requesting party.

CPSC staff began work on the objectives outlined in the PAC in September 2005. Efforts in all areas are underway.

5.7 SHANGHAI RETAIL ROUNDTABLE DISCUSSION



Attendees of the Shanghai Retail Roundtable Discussion

Recognizing the importance of U.S. retailers in conveying the CPSC Three-Part Safety Message to Chinese manufacturers, CPSC staff requested a meeting with retail representatives from buying offices in Shanghai. Staff understands the need to tap into the strength offered by the U.S. retailers, as millions of dollars worth of retail orders are in the balance for Chinese vendors.

On September 1, 2005, the CPSC delegation, led by Chairman Stratton, and representatives from U.S. retail buying offices held a Roundtable Discussion. The list of attendees is found in *Appendix K*. Issues raised included the need for more focus on voluntary standards; the need for training Chinese manufacturers about the importance of standards and about specific standards; the types of venues that might be the most effective platforms for conveying the CPSC Three-Part Safety Message; the necessity of bringing the CPSC message to small- and mid-size manufacturers; whether CPSC should engage China in discussions of product liability; and how the Chinese government might be able to assist in getting the message out to the



Chairman Stratton speaking at the Shanghai Retail Roundtable Discussion

manufacturers.



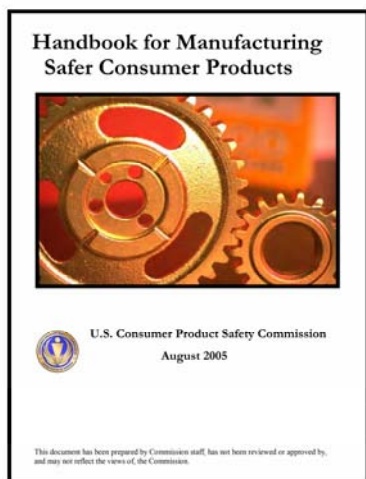
Joe Mohorovic speaking at the Shanghai Retail Roundtable Discussion.

The retailers echoed the importance of CPSC's efforts with China as a strategy for improving the safety of imported products. The retailers agreed that this opportunity for joint cooperation in the Summit and Shanghai meetings was a "first" among competitors and that more cooperation would be mutually beneficial. They understand that targeting the direct suppliers for the CPSC Three-Part Safety Message is an important strategy because there is an increasing tendency among retailers toward the use of direct suppliers. Direct suppliers are manufacturers who sell their goods directly to retailers without use of an export platform or "go between," such as an import company or wholesaler. International retailers are developing brands and product names of their own. This

practice eliminates the need for an intermediary. It allows the retailer to deal directly with the factory, which will produce the product that eventually is sold on the retailer's shelf under the retailer's brand or product line. Thus, the retailer can obtain goods made to their specifications and can save costs associated with use of an intermediary.

Chairman Stratton reinforced the CPSC Three-Part Safety Message during a speech to the American Chamber of Commerce-Shanghai that same day. The CPSC delegation also met with local AQSIQ officials and Shanghai City officials about their work at the Summit in Beijing.

5.8 HANDBOOK FOR MANUFACTURING SAFER CONSUMER PRODUCTS (2006)



CPSC staff recognizes the importance of fundamental safety principles in the design and manufacturing of consumer goods. The CPSC first published the document, *The Handbook for Manufacturing Safer Consumer Products (Handbook)*, in 1975. Hoping that it could have the same effect on Chinese manufacturers today that it had on domestic producers three decades ago, CPSC staff updated the *Handbook* and translated it into Chinese.

CPSC staff accepted public comment on the *Handbook* from September through December, 2005. Staff also discussed it at an Open Dialogue with the public in November 2005. As a result of this input, staff made modifications to the *Handbook* and it will be re-released this year. It is posted in both English and Chinese on the CPSC China Program website and is available on CD-ROM.

The *Handbook* provides a general description of widely accepted fundamental principles for consistently manufacturing safe consumer products. The *Handbook* covers a spectrum of topics, including executive/managerial functions, technical requirements such as industrial engineering, quality control, manufacturing, hazard modes and effects analysis, and product design. The following topics are covered in the *Handbook*:

➤ **Company Policy and Organization**

The manufacturer must be committed to implementing a product safety system into the design, development and manufacturing processes. It requires the company to name certain senior managers who are responsible for ensuring that safety factors are taken into consideration during the design and production of products.

➤ **Design Review**

A design review process that will identify potential safety hazards based on foreseeable conditions in which the product is used must be implemented. This includes the evaluation of foreseeable “misuse” conditions which are outside of the intended use of the product. Product performance during temporary periods of abnormal operation should

not introduce a safety hazard. Design reviews should be conducted by senior staff representing design, production, quality control and customer services.

➤ **Documentation and Change Control**

Changes in design, material selection, production, and distribution must be subject to control, be made matters of record, and be incorporated into all documentation affecting the product.

➤ **Purchase Product Control**

Product manufacturers must exercise control over suppliers to a degree consistent with the potential safety impact of the items supplied.

➤ **Quality Control**

A quality control program must be in place that assures product integrity and safety. Critical design features that affect the safety of the product should be inspected and tested as part of the quality control program. All production units must include functional safety design features. Manufacturing variability that can result in nonfunctional safety features should not be tolerated.

➤ **Standards**

Understanding the requirements and rationale of applicable product standards is necessary to the engineer/designer in understanding hazard scenarios.

➤ **Hazard Analysis**

Engineers and designers must understand the potential hazards associated with their products. Hazard data is one source that can give the designer an idea of how the product can be used and the environment that it is used in. Tools such as Failure Modes and Effects Analysis (FMEA) and fault tree analysis should be applied to analyze these issues.

➤ **Human Factors Analysis**

Knowledge of human and product interaction is critical in preventing injuries with consumer products. Human behavior as it relates to the product is important in understanding and developing safe product design.

➤ **Life Cycle Analysis**

The designer must be able to show that end of life failures result in a safe failure mode.

➤ **Training**

Continuous product safety training of the staff in current standards and product testing requirements, hazard analysis, human factors analysis and product life cycle analysis is essential.

5.9 CPSC WEBSITE-CHINA PROGRAM

In an effort to aid transparency and provide interested parties with ready access to documents related to China Program activities, the Business section of the CPSC website has a page devoted to this endeavor. The page contains links to the documents signed by CPSC and AQSIQ, information on and presentations given at the Sino-American Consumer Product Safety Summit, the *Handbook*, the CPSC Conformity Assessment Message, and other documents. The website is <http://www.cpsc.gov/businfo/china/china.html>.

5.10 IN-HOUSE SEMINARS

IPIA regularly hosts delegations of foreign government officials who are visiting Washington, D.C. and are interested in understanding the operations of the federal government. Since CPSC and AQSIQ signed the PAC in August 2005, IPIA has hosted three delegations of Chinese officials.

October 10, 2005

On October 10, 2005, a delegation of Market Economy Management officials from the Anhui province attended several briefings at CPSC on the scope of the agency, the regulations promulgated by the agency, and work conducted under the China Program. The delegation consisted of thirteen Chinese officials, including the Director of the Bureau of Commodity Prices for the Anhui province, the Personnel Division Director for Anhui, and the Directors/Vice Directors of Commodity Prices for the cities of Huangshan, Wuhu, Chi Zhou, Suzhou, Tongling, Hefei, and Huai Nan.

Market Economy Management officials were primarily interested in the manner in which product recalls are conducted, the responsibility for the costs of the recalled products, whether taxes are refunded to the consumer by the government or retailer in the event of a recall, CPSC reporting requirements for defective products, and the CPSC petition process. Staff experience and agency sophistication in product safety can be showcased as a model for foreign governments, since so many of the operations and responsibilities of the agency are new to them. Because of this, the discussion with Market Economy Management officials illuminated areas that might be useful in future seminars to the Chinese.

November 18, 2005

Officials from AQSIQ's Defective Product Administrative Center visited CPSC on November 18, 2005. Mr. Han Yi, Deputy Director General for the Department of Quality Management of AQSIQ and Mr. Guo Qiwen, Deputy Director General for the Department of Industry, Communications, and Commerce in the Legislative Affairs Office of the State Council led the delegation. IPIA staff briefed the group on aspects of product recalls, including substantial product hazard determination, enforcement and corrective actions, Section 15 reporting obligations, penalties, and consumer notification strategies.

In the discussion that followed, the Chinese delegation inquired about the mechanics of recalls, and in particular, which entity bears the costs of recalled products, and how defective products come to the attention of CPSC. IPIA staff emphasized that Chinese manufacturers are impacted by U.S. recalls of consumer products because for most major U.S. retailers, the cost of a recall is not absorbed by them. Instead, the entire cost of a recall, including advertisement, etc. for the recall, labor for the signage at the retail store, and product correction and replacement may be charged back to the Chinese manufacturer for refund or credit toward future purchases. The delegation found this interesting, since the assumption had been that it was solely the U.S. retail market that may still have damage and fallout. The circle back to the financial responsibilities of the Chinese manufacturers in the event of a U.S. recall provided clarity to the Chinese delegation. Manufacturing safe consumer products is essential to the “bottom line” of profitability for Chinese enterprises and in the potential for future orders from U.S. retailers.



Chairman Hal Stratton and Vice Minister Ge Zhirong at the CPSC on March 28, 2006.

March 28, 2006

Chairman Hal Stratton welcomed AQSIQ's Vice Minister Ge Zhirong and his delegation during a courtesy visit to CPSC on March 28, 2006. Vice Minister Ge was visiting Washington, D.C. in advance of the upcoming visit of China's President Hu Jintao. Chairman Stratton and Vice Minister Ge discussed the status of upcoming safety seminars in China and progress between staff through the established working groups.

5.11 AQSIQ ICPHSO PARTICIPATION

In November 2005, Chairman Stratton led a CPSC staff delegation to the International Consumer Product Health and Safety Organization's (ICPHSO) Second European Meeting and Training Symposium in Arnhem, the Netherlands. The theme of the Symposium was how to ensure consumer product safety in the global marketplace. AQSIQ's Vice Minister Ge Zhirong and Robert Madelin, Directorate General of the European Commission's (EC) Health and Consumer Protection, also attended. The EC had been working toward signing an MOU with China on consumer product safety issues. Each agency presented its views on improving consumer product safety on a global scale.

Chairman Stratton conducted a bilateral meeting with Vice Minister Ge in Arnhem. At this meeting, Vice Minister Ge expressed interest in being notified when consideration is given to the development of new consensus standards. As a result, CPSC will provide a link on the CPSC website to the U.S. Contact Point for standards and certification information under the WTO and NIST. Another important outcome of the meeting was a commitment by the lead officials, including Chairman Stratton and Vice Minister Ge, to garner increased international cooperation and participation in future ICPHSO events.

5.12 POINT OF PURCHASE EXAMINATION

CPSC staff continues to search for ways to identify the appropriate audience for its Three-Part Safety Message, so that resources can be utilized more efficiently. Several major retailers assured CPSC staff that they have effective quality procedures in place to reduce the number of violative products that they sell and suggested that it was smaller "mom and pop" type stores or stores specializing in the sales of very inexpensive items, i.e., the so called "dollar" stores, that were responsible for these sales. In an attempt to determine the veracity of this claim, CPSC staff looked at broad categories of retailers to determine whether certain categories of retail stores are more likely to sell products that were eventually recalled than were other store categories.

Staff examined CPSC press releases and recall alerts (n=397) for recalled consumer products manufactured in China during a one-year period (October 2004-September 2005). They identified 165 recalls involving Chinese products. Staff categorized the data on the type of retail outlet that sold each recalled product; there were 21 classifications of retail stores. Some recalled products may have been sold in more than one category of retail store.

Contrary to the expectations, the "Big Box" store category most frequently sold recalled products (n=44), followed by "Internet Sales" (n=26), "Discount Stores" (n=25), "Sporting Goods Stores" (n=22), and "Toy Stores" (n=21). Staff acknowledges that there are a number of limitations to the study, including that

- the press releases may not include the actual name of the retailer, thus leading to improper categorization;

- only recalls were evaluated, and recalls are only one type of remedy for a violative product. There were many other violative consumer products that were identified during this time period that were not counted because a recall of the product was not conducted and it was not possible to identify the retail source of these products. Therefore, it is possible that the frequency of violative products may have changed the rank order of retail category;
- the study used data for the most recent 12-month period for which data were available. A larger dataset may have shown a different ranking order to the retailers; and
- the data has not been corrected for the percentage of market share of the retail category compared to other retail categories.

Despite these limitations, it is clear that significant numbers of recalled products are sold by “Big Box” stores. While this may be occurring despite the best preventative efforts of these major retailers, it reinforces the necessity for targeting these retailers and their direct suppliers for the CPSC Three-Part Safety Message.

6 CURRENT STRATEGIES

CPSC staff identified the following projects to improve the safety of products manufactured in China:

6.1 MESSAGE DISSEMINATION AND TRAINING

Methods for conveying the Three-Part Safety Message directly to Chinese manufacturers were developed by the staff after listening to the ways in which the U.S. retail community interfaces with the manufacturers while conducting their businesses. CPSC staff believes that an improvement in the safety of imported consumer products can occur by educating Chinese suppliers about the importance of compliance with U.S. mandatory rules and voluntary safety standards; promoting better design and manufacturing practices; testing finished products to the appropriate standards by an accredited laboratory; and certifying products if certification exists for a specific product type. This is the CPSC Three-Part Safety Message.

Accurate delivery of the regulatory message backed by sound technical advice is the approach that CPSC staff developed for improving the safety of imported products through manufacturer education. The following venues were selected for this approach:

1. Safety seminars held at retailer supplier meetings; and
2. Safety seminars at Chinese trade fairs;

6.1.1 Seminars at Retail Supplier Meetings

Many major U.S. retailers individually hold meetings with their direct-line vendors annually, semi-annually and/or at other scheduled times throughout the year. When dealing with imported goods, it is important for management at the factory to be informed of the safety expectations of exports to the United States market. Major U.S. retailers have a “direct source” relationship with vendors, i.e., they have an arrangement with specific vendors to manufacture specific goods for sale in their stores, either under the retailers’ own name or another label owned by the retailer. Although “supplier meetings” are held to meet the needs of the retailer, CPSC staff recognizes that the gatherings also present a unique opportunity to capture the attention of its target audience.

“Direct sourcing” presents a challenge to CPSC’s goal of improving the safety of consumer products produced in China. A traditional manufacturing/retail relationship involves two independent parties – both of which value quality and safety for sustainable business development. In the traditional relationship, the manufacturer provides quality controls over finished goods not only because it is demanded of the purchaser (retailer), but also because of the importance of “branding.” The manufacturer is compelled to produce a safe, defect-free product to protect and enhance its brand image in a competitive market.

In the emerging “direct source,” “direct supply,” or “direct vendor” scenario, the factory producing product for sale to the retailer has no brand to protect. The manufacturer is allowing the retailer to affix any one of the retailer’s proprietary brands or labels to the finished goods. Therefore, the quality controls only occur at the retail level. Compounding the challenge are the characteristics of the typical manufacturers in the “direct source” relationship. Since the manufacturer has no brand to promote or protect, it is usually a new entrant with less technical understanding of the applicable consensus standards and regulatory requirements of the U.S. market. These characteristics make “direct source” manufacturers a high priority target audience for our Three-Part Safety Message dissemination.

CPSC staff is trying to find opportunities to present its Three-Part Safety Message in a seminar format to less experienced, less sophisticated Chinese manufacturers. Some vendors may be new to a particular retailer. Large retailers sometimes order goods on shorter production runs from new vendors to be sure that the supplier can deliver quality goods before the retailer will place larger orders with them. There is a strong incentive for suppliers to attend these meetings.

CPSC staff has developed the concept of conducting Consumer Product Safety Seminars as wrap-around sessions to retailer’s scheduled supplier meetings. Staff is currently working with several major U.S. retailers in an effort to conduct safety seminars at their scheduled vendor meetings in China in 2006. CPSC staff conducted a seminar at a Best Buy supplier meeting in Shanghai, China in March of 2006 (Section 6.1.1.1). The seminars train quality assurance personnel and senior management of Chinese manufacturers to understand and implement the elements of the CPSC Three-Part Safety Message. Case studies of product compliance failures illustrate the importance of adhering to mandatory rules and voluntary standards. Although vendor training meetings usually include multiple product lines, the CPSC Three-Part Safety Message holds true for all product lines. For the occasional supplier meetings that might be focused on a particular product line, such as a meeting of all electrical vendors, the advantages of targeted trade fair seminars also will hold true.

In addition to teaching seminars on product safety, CPSC staff has been offered the opportunity to provide electronic presentations and other instructive materials to certain retailers that can be built into their own supplier training platforms. These materials may be used with new vendors or used to reinforce concepts with current vendors. CPSC staff welcomes the opportunity to have its Three-Part Safety Message embedded into the retailers’ programs and anticipates tailoring the message to suit the particular situation.

6.1.1.1 *Best Buy Asia Pacific Vendor Summit*

On March 2 and 3, 2006, CPSC staff participated in the Best Buy Asia Pacific Vendor Summit in Shanghai, China. The event attracted over 200 participants representing over 70 manufacturers of electronic and related consumer products. The conference focused on essential strategies for doing business with Best Buy and included presentations on a wide range of issues, including:

➤ **Chinese Imports and the Implementation of CPSC Regulations**

Rob Raffety, Counsel to the Chairman

An introduction to CPSC, mandatory rules and voluntary standard compliance, the CPSC *Handbook for Manufacturing Safer Consumer Products* and the importance of product testing was provided.

➤ **Product Safety Management Program**

Kent Wang, QA/QC Manager for Best Buy China

Critical elements of product safety, Best Buy's product safety program and expectations of suppliers were explained in detail.

Other presentations covered issues such as global sourcing, contracting, quality assurance/quality control, supply chain management, and product packaging. The CPSC presentation was particularly well-attended and elicited significant audience interaction at a subsequent Q&A session.

6.1.2 **Seminars at Chinese Trade Fairs**

Trade fairs are exhibitions that bring together retail buyers and brokers with sellers or manufacturers of products. Some trade fairs are product category specific, such as fairs for electronic equipment or toys, while other trade fairs bring together sellers of general merchandise categories. They can be very large events and may attract tens or hundreds of thousands of attendees from all over the world. These fairs may last for days or weeks and at stake are multi-million dollar orders for goods.

CPSC staff recognizes that trade fairs represent a unique opportunity to gain knowledge about the consumer product marketplace and have attended trade fairs in specific product areas for many years. The CPSC China Program team also understands that these events represent an enormous opportunity to convey the Three-Part Safety Message to Chinese manufacturers of the consumer products previously identified as priority product categories (cigarette lighters, electrical products, fireworks, and toys). This is particularly true of trade fairs specific to certain product categories, such as toy fairs.

Staff has identified major trade fairs at which the greatest numbers of Chinese manufacturers and brokers for goods in the four priority product categories are most likely to be present. CPSC staff participated in the following trade fairs.

6.1.2.1 Toy Safety Conference



Presenters at the Toy Safety Conference in Shenzhen, China.

CPSC staff participated in the 2006 Toy Safety Conference for Chinese Manufacturers in Shenzhen, China on March 27 and 28, 2006. Sponsored by the Toy Industry Association (TIA), and China's AQSIQ, Certification and Accreditation Administration (CNCA) and China Certification and Accreditation Association (CCAA), the conference was attended by approximately 300 participants.

Paul Gutierrez, Deputy Director of IPIA at the CPSC, described the CPSC's role as the primary government agency responsible for toy safety. Technical safety requirements were discussed as were the cooperative efforts by the CPSC and the U.S. Customs Service to monitor toys for compliance with regulations.

Jonathan Midgett, Engineering Psychologist, CPSC, discussed recall data and the quality of Chinese-made toys imported in the United States. In addition, Mr. Midgett explained why voluntary standards are preferred over mandatory rules, how the standards differ and work together and why it is important to comply with all requirements for products intended for the U.S. market.



Paul Gutierrez speaking at the Toy Safety Conference in Shenzhen, China.

The connection between toy safety and quality assurance was heavily emphasized at the conference. Private industry speakers described why and how quality must be considered at each stage of producing a toy from designing to manufacturing to selling. Examples of presentations include:

➤ **Design Quality and Safety Assurance**, Frank Gibbs, Mattel, Inc.

The importance of the quality assurance process in the design stage was emphasized by Mr. Gibbs in this presentation. Quality assurance at this first stage ensures that product safety and quality issues are identified and addressed early in the product's development.

➤ **Manufacturing Quality and Safety Assurance**, Steve Meitner, Leap Frog

Mr. Meitner discussed the basic requirements of quality and safety controls employed in manufacturing. Examples relevant to Chinese manufacturers were given.

➤ **Continuous Improvement and Corrective Action in Ensuring Quality**, Malcolm Dennis, Hasbro, Inc.

Mr. Dennis encouraged manufacturers to integrate the principles of continuous improvement and corrective action into their quality assurance programs.

The March 28th sessions dealt specifically with toy safety testing, where numerous demonstrations were performed for manufacturers, including use and abuse torque and tension testing, use and abuse impact testing and acoustics testing.

6.1.2.2 Toy Factory Seminar

CPSC staff participated in the Toy Factory Seminar held in Shanghai, China on March 31, 2006. The seminar, sponsored by the International Council of Toy Industries (ICTI), focused on improving workplace standards for quality assurance in China's toy factories, with approximately 100 toy factory managers and provincial government inspectors in attendance.

Paul Gutierrez, Deputy Director of IPIA, and Jonathan Midgett, Engineering Psychologist, emphasized the importance of complying with mandatory rules and voluntary standards for toy safety in their morning presentations. Following the presentations, participants and presenters further discussed how manufacturers should determine which standard to use to build their toys as well as the proper age grading and labeling for toys.

6.1.2.3 *Electro Safety Symposium*



Presenters at the Electro Safety Symposium in Guangzhou, China.

CPSC and AQSIQ conducted Electro Safety Symposiums in Guangzhou on April 21, 2006 and Hangzhou on April 24, 2006. The Guangzhou Fair (the Canton Trade Fair or Chinese Export Commodities Fair) is the largest trade fair in China and is held twice a year in April and October.

Attended by over 600 Chinese manufacturers, both symposiums provided an excellent opportunity for CPSC staff to convey its Three-Part Safety Message directly to Chinese manufacturers. CPSC staff moderated the CPSC Safety Symposium that included the following presentations:

➤ **CPSC Regulatory Compliance and Market Access Overview**

Marc Schoem, Office of Compliance

Mandatory rule and voluntary standard compliance was the focus of this presentation. Product certification and customs enforcement were briefly discussed.

➤ ***CPSC Handbook for Manufacturing Safer Consumer Products***

Joseph Mohorovic, CPSC Chief of Staff

A synopsis of the *CPSC Handbook for Manufacturing Safer Consumer Products* was presented. The Handbook provides guidelines to executive industrial management for establishing systems to

prevent and detect safety hazards in consumer products. Refer to Section 5.8 *Handbook for Manufacturing Safer Consumer Products (2006)* for more details on the Handbook.

➤ **CPSC Standards and Certification for the U.S. Market**

Rohit Khanna, Directorate for Engineering Sciences

The benefits of compliance with consensus standards and certification were discussed. Examples of recalls and an explanation on how compliance to the applicable standards could have prevented their recall were also given.

Panel presentations were held by U.S. manufacturers and retailers as well as Chinese manufacturers:

➤ **U.S. Manufacturers Panel (AHAM)**

Wayne Morris of the Association of Home Appliances Manufacturers (AHAM) moderated a panel of U.S. manufacturers. Panel members included representatives from Appliance, Hamilton Beach, BSH, Whirlpool, and Lasko.

The panel presenters provided practical tips for manufacturing safe consumer products, including the importance of exceeding the minimum standards, the need for management's commitment to implementing safety policies, the necessity of identifying specific hazards that electrical products pose and the difficulty of producing safe consumer products with globalized supply lines.



Over 400 manufacturers attended the Electro Safety Symposium in Guangzhou, China.



Hanns Liu of Intertek, Wayne Morris of AHAM and Joe Mohorovic of CPSC presenting at the Electro Safety Symposium in Guangzhou, China.

➤ **U.S. Retailers Panel**



The U.S. Retailer panel members included representatives from QVC, Best Buy, Home Depot, and Lowes. Retailers presented their safety expectations to manufacturers, emphasizing the responsibility that suppliers and vendors have to comply with U.S. mandatory rules and voluntary standards. Certification was emphasized by retailers, who argued that it reduces, although does not eliminate, the possibility of future recalls.

➤ **Chinese Manufacturers Panel**



Jiang Feng Deputy President of the Chinese Household Electrical Appliances Association (CHEAA) moderated a panel of Chinese manufacturers. Panel members included representatives from CHEAA and Guangdong Donlim Kitchen Group. Panelists presented their perspectives on safety requirements and techniques for producing and monitoring safe electrical products for export were discussed in detail.

6.2 AQSIQ AND CPSC COOPERATIVE ACTIVITIES

As previously described in Section 5.5.3, CPSC and AQSIQ conducted Working Groups in four priority product areas (cigarette lighters, electrical products, fireworks, and toys) at the Sino-American Consumer Product Safety Summit. CPSC staff identified the following tasks and goals for future work, based on the outcome of the first Working Group sessions held at the Summit in Beijing in August 2005.

<p>Cigarette Lighters</p> 	<p>CPSC and AQSIQ will explore opportunities to train manufacturers about the necessity for child resistant testing, as well as the CPSC Three-Part Safety Message, through the Safety Lighter Association in Wenzhou. CPSC staff hopes to send a Chinese translation of the cigarette lighter regulation to AQSIQ and the Safety Lighter Association so that they can distribute it to their members.²¹ CPSC staff will also remind the Chinese and the Safety Lighter Association that the agency is in the process of rulemaking, i.e., formally considering making the voluntary ASTM standard (ASTM F-400/ISO 9994) a mandatory rule.</p>
<p>Electrical Products</p> 	<p>Several initiatives arose from the Electrical Product Working Group discussions:</p> <ol style="list-style-type: none"> 1. CPSC staff intends to continue training Chinese government officials and manufacturers in understanding and conforming to U.S. voluntary standards. While China has some mandatory rules for electrical products, CPSC staff believes that U.S. voluntary standards must be followed. 2. CPSC staff will provide the China Household Electric Appliance Research Institute (CHEARI) and Haier, a Chinese appliance manufacturer, with more specific information on the roles and responsibilities of CPSC. In order to provide further information on CPSC case studies in electrical product recalls, which is an area of great interest to the Chinese, CPSC staff will develop other case studies to illustrate the problems that exist. Staff intends to review data on some recalls of non-certified electrical products, as well as electrical product recalls, to determine the numbers of these products that fall into the categories of certified, non-certified, and those of unknown certification. Appropriate case studies can then be developed to demonstrate the importance of certification.

²¹ 16 C.F.R. § 1210.

<p>Fireworks</p> 	<p>There are several points of information that need to be addressed before the next Working Group meeting:</p> <ol style="list-style-type: none"> 1. AQSIQ would like to know if CPSC can consider more than flash powder composition when differentiating between types of fireworks. 2. CPSC staff is interested in learning whether AQSIQ can identify fireworks manufacturers from a product, particularly by manufacturing plant. 3. CPSC staff will compare compliance rates for American Fireworks Safety Laboratory (AFSL) vs. non-AFSL tested fireworks. CPSC staff would like to determine, with the assistance of AQSIQ, why Chinese fireworks may be less than fully compliant.
<p>Toys</p> 	<p>Future endeavors of the Toy Working Group include:</p> <ol style="list-style-type: none"> 1. Both AQSIQ and the CPSC staff will begin identifying common toy testing practices in China, the EU, and the United States. 2. CPSC hopes to explore ways to get assistance from the China Toy Association in getting the Three-Part Safety Message to Chinese manufacturers. 3. CPSC staff is interested in the potential for AQSIQ to retract or downgrade a toy manufacturer's registration, which apparently is a tiered approval for companies to be able to export their goods. If true, it may be possible to determine whether Chinese manufacturers of defective products can be downgraded by AQSIQ in the registration hierarchy. 4. AQSIQ would like to send a team to the U.S. for training, and CPSC staff will help facilitate this through training sessions at the agency headquarters and laboratories.

6.3 CPSC MESSAGE EXPANSION

Close working relationships with key federal, provincial, and city government officials in China and other federal agencies in the United States will help disseminate the CPSC Three-Part Safety Message. To that end, CPSC staff is working to establish liaisons with appropriate Chinese organizations that have jurisdiction or may otherwise influence the manufacture and sale of consumer goods or consumer product safety issues.

Currently, CPSC communicates to the Chinese government primarily through AQSIQ when discussing the need for compliance with appropriate U.S. safety regulations and standards. Other Chinese groups or government entities may also provide useful strategic relationships to convey CPSC's Three-Part Safety Message to manufacturers.

China's Ministry of Commerce (MOFCOM)

CPSC's work with the Chinese government thus far has been primarily with its direct government counterpart, AQSIQ. CPSC initiated negotiations with China's MOFCOM while attending the Sino-American Consumer Product Safety Summit in August 2005. MOFCOM has jurisdiction and control over general trade and exports from China and will be an influential partner in protecting U.S. consumers from unsafe products from China.

One of MOFCOM's main goals in promoting trade for their domestic manufacturers in China is to provide regulatory requirement information for exporters, thereby eliminating barriers to trade. In a simple sense, the failure to comply with U.S. standards is a technical barrier to trade. According to the CPSA, any consumer product offered for importation into the customs territory of the United States shall be refused admission into such customs territory if such product fails to comply with an applicable consumer product safety rule.²² CPSC's objective is not to obstruct trade but to work directly with MOFCOM to increase the understanding of relevant standards and regulations that are required for consumer products distributed and sold in the U.S. marketplace. In doing so, CPSC and MOFCOM will facilitate free trade between both countries and fulfill the safety obligations of CPSC.

CPSC also intends to work with MOFCOM to identify Chinese manufacturers, especially new or less experienced entities, selling products to the United States. With the help of MOFCOM, CPSC would like to distribute the CPSC *Handbook for Manufacturing Safer Consumer Products* to these manufacturers. MOFCOM's assistance in recognizing these manufacturers will enable CPSC to more precisely target its audience.

The Office of the United States Trade Representative (USTR) agreed to help CPSC in coordinating its efforts with MOFCOM. Because of the current strong working relationship between USTR and MOFCOM, we anticipate that USTR will be an important ally in advancing CPSC initiatives.

China's Provincial Authorities

²² 15 U.S.C. § 2051(a)(1).

Simultaneously, and cognizant of the fact that China's provinces are important and influential, CPSC staff plans to identify Chinese provinces they will take a more targeted approach to increasing Chinese manufacturers' use of U.S. standards for consumer products being imported into the United States. Engaging Chinese provinces is an important element in reaching out to specific industry sectors that produce problematic imports. China's localization of economic activity and regional industry specialization (regional concentration in one or few industries, such as cigarette lighters in the Wenzhou area) will allow CPSC staff to design a province-specific arrangement to work directly with provincial leaders, as well as federal Chinese entities. The development of "trade zones," areas of China where communities are being built around certain industries, may also serve as interesting possibilities for exploration.

Chinese Trade Associations

A similar argument can be made for involving Chinese trade associations and chambers of commerce. These organizations bear some unique characteristics. They act as social intermediaries and market intermediaries to the Chinese government. They are quite influential and very important for CPSC staff in helping to promote changes in Chinese manufacturing policies and practices to insure safer consumer products. Chinese trade associations and chambers of commerce are able to influence the government decision making process by bringing to the government's attention important issues related to industrial activities and developments. In addition, Chinese trade associations and chambers of commerce are effective industry-wide conduits of regulatory and other trade-related information.

6.4 CHINESE MANUFACTURER NOTIFICATION

CPSC staff understands the necessity of making manufacturers aware of their product defects so that the problems can be remedied and avoided in future production. CPSC works with the U.S. importers, retailers, distributors, and manufacturers (if known) in developing corrective action plans.

In the case of a product manufactured abroad, CPSC works with the U.S. importers, retailers, or distributors that have sold the merchandise. The U.S. importer, retailer, or distributor may or may not inform the foreign manufacturer. Frequently, retailers in the U.S. that have conducted a corrective action notify the foreign manufacturer because they want to charge the foreign manufacturer for the cost of the goods and in the event of a recall, other associated costs. Since CPSC does not have authority over foreign manufacturers directly, it has not been notifying foreign manufacturers of violations or recalls. So unless the U.S. retailer, importer, or distributor notifies the foreign manufacturer, they may be unaware of the problem. Foreign manufacturers and AQSIQ may never learn of the recall at all.

CPSC is developing a system that will attempt to notify directly foreign manufacturers when one of the products they have manufactured has been recalled or found to violate a mandatory rule. When a violative product is found, CPSC Compliance staff will aggressively seek information on the manufacturer from the U.S. firm that is conducting the corrective action or recall so that the manufacturer can be notified. The notification scheme will flow as described below and as shown in *Figure 9*.

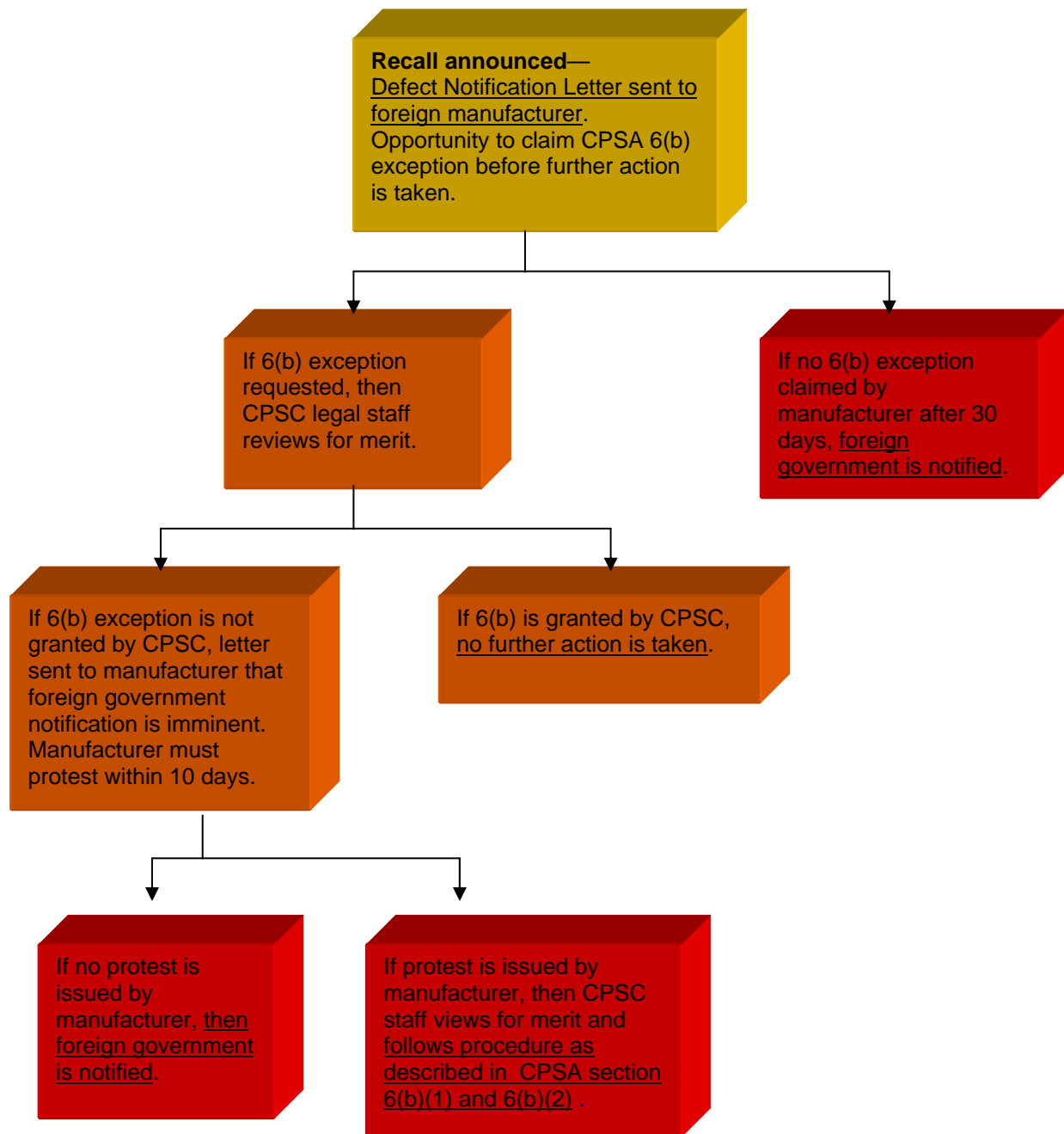
When the recall or other corrective action is taken, CPSC will send a letter to the foreign manufacturer notifying them of the nature of the problem. If applicable, these letters will include a “url” address from the CPSC web site that will link to the appropriate CPSC press release or recall alert of the product violation. This web link will provide additional information on the specific defect and hazards found in their products. In addition, the manufacturer’s letter will notify them that their government will be informed about the defective product unless they make a claim of unfairness or inaccuracy under Section 6(b) of the CPSA²³.

If there is no response within 30 days from the foreign manufacturer to this initial letter, IPIA staff will send a letter to the U.S. mission of the foreign government and MOU contact points informing them of the defect. If the manufacturer takes exception under 6(b) of the CPSA, CPSC legal staff will make a determination as to the validity of the confidentiality claim. If staff determines that there is no valid claim under 6(b), the foreign manufacturer will be notified and they will have 10 days to appeal the CPSC determination and proposed disclosure. If no protest is issued, then a letter will be sent to the foreign government through their embassy in the United States.

This process is in the final stages of development and is expected to be operational by the summer of 2006.

²³ 15 U.S.C. § 2055(b).

Figure 9: CPSC Notification of Violative Products to Foreign Manufacturers and Governments



6.5 U.S. FEDERAL INTERAGENCY ACTIVITIES

Working together with other U.S. government agencies can increase the CPSC's effectiveness in improving the safety of consumer products imported from China.

U.S. Customs and Border Protection

CPSC staff works with the U.S. Customs and Border Protection to, among other things: establish uniformity in procedures for sampling, screening, testing, detaining, and inspecting goods during reconditioning, seizure, and/or denial of entry for imported goods from China subject to the laws administered by the CPSC. U.S. Customs and Border Protection notifies its officials at a port of entry when the CPSC has identified unsafe consumer product imports from China at a U.S. port of entry. In recent years, designated CPSC employees have been allowed access to the U.S. Customs Automated Commercial System and the Automated Manifest System, which contains information on the name and address of the importer, consignee, shipper, manufacturer, HTS number(s), and quantity and value of consumer products under CPSC's jurisdiction that are being imported into the United States from China. The information contained in these systems aids the CPSC in fulfilling its statutory and regulatory duties and responsibilities, preventing the admission into the United States of illegal, noncompliant, or environmentally hazardous products.

U.S. Department of Commerce

CPSC staff also works with several organizations at Commerce. NIST helps identify existing and proposed foreign consumer product safety standards for those products under CPSC's jurisdiction. CPSC staff recognizes the important assistance that it has received from NIST staff in the development of the Conformity Assessment Message, in particular. NIST's National Center for Standards and Certification Information maintains a reference collection of standards and standards-related documents, including those for China. It serves as the U.S. inquiry point under the WTO agreement for standards and certification information. It responds to CPSC staff requests for standards and certification information relating to China. NIST also helps sponsor joint activities with Chinese government representatives and U.S. government officials, such as the 2005 U.S. – China Standards and Conformity Assessment Workshop.

As mentioned previously, the 2005 U.S.-China Standards and Conformity Assessment Workshop is part of a series of dialogues between the U.S. government and Chinese standards and regulatory officials to address issues of mutual interest and concern in standards and conformity assessment procedures. At the 2005 Workshop, organized by Commerce and AQSIQ, CPSC staff advocated the use by Chinese manufacturers of both CPSC mandatory rules and voluntary safety standards relied upon in the United States.

Another Commerce group with which the CPSC coordinates is the International Trade Administration (ITA). CPSC staff serves on the Standards Working Group of the ITA Standards Liaison. The Standards Liaison works closely with U.S. government entities to address and coordinate standards issues, policies, and concerns in U.S. trade policy.

CPSC staff also works closely with the Standards Attachés of Commerce's Foreign Commercial Service. A new China Standards Attaché was selected and posted to the U.S. Embassy in Beijing during the summer of 2005. The responsibilities of the Standards Attaché include providing technical support on standards-related issues that affect U.S. government agencies such as the CPSC. CPSC staff has coordinated successfully with Standards Attachés working in other regions and looks forward to coordinating activities with the new China Standards Attaché. Additionally, CPSC staff plans to coordinate with the Commerce Trade Policy Staff Committee, Subcommittee on Standards and Technical Barriers to Trade and the Interagency Policy Subcommittee on Standards.

U.S. Trade Representative

Coordination of CPSC staff with USTR has included participation on working groups addressing technical barriers to trade and consultation on CPSC's MOU with China's AQSIQ. Recently, CPSC staff provided assistance to USTR on several consumer product issues under discussion between the USTR and Chinese government officials. Coordination between the USTR and CPSC continues as work begins toward a potential arrangement with China's MOFCOM, as outlined in Section 6.3.

U.S. Department of State

The State Department provided critical contacts for CPSC staff in planning the 2005 Summit. CPSC staff worked closely with officials at the U.S. Embassy in Beijing and the U.S. Consulate in Shanghai to coordinate all of the events that occurred with Chinese officials. State Department personnel were able to assist in the logistics of meetings with AQSIQ and MOFCOM, provide translators, and offered indispensable aid on-site at the Summit.

6.6 PUBLIC FORUMS

The potential benefits of stakeholder input to the direction and scope of the China Program are immeasurable, as discussed in Section 5.2. Staff anticipates future China public meetings to solicit ideas on the direction of the China Program and to share experiences gained through its future endeavors, such as trade fair participation, academic exchange programs, and potential Chinese trade-zone activities.

6.7 BIENNIAL SAFETY SUMMITS

Preparations will begin in September 2006 for the second biennial Sino-American Consumer Product Safety Summit to be hosted by CPSC. It is anticipated that the Summit will be held in June 2007.

Annual meetings of the four priority product area working groups (cigarette lighters, electrical products, fireworks, and toys) should take place in 2006. CPSC staff may use government digital video teleconferencing communications (DVC) for these meetings. Agenda items for discussion will be negotiated in Summer 2006.

6.8 *EDUCATIONAL EXCHANGE PROGRAM*

As part of a longer-term strategy to improve product safety, CPSC staff proposes a Sino-American Educational Exchange Program to leverage the United States' academic community towards ushering in a “culture of safety” among the manufacturing interests in China. Specifically, staff intends to facilitate an exchange program whereby leading Chinese academics in the fields of engineering, business management, and public policy visit the United States to learn about the American approach to product safety regulation and consumer education. With the cooperation of top-tier American academic institutions, as well as specialized accreditation authorities (Accreditation Board for Engineering and Technology, Association of Collegiate Business Schools and Programs, etc.), participants in the program will learn strategies for incorporating safety education and training into China's collegiate and technical institutions of higher learning. Ideally, Chinese scholars will return with a more complete understanding of U.S.-style safety regulation and an appreciation for the core concepts, texts, and curriculum used to educate future leaders in their respective fields of study.

The goals of the Sino-American Educational Exchange Program include, but are not limited to, the following:

- Creating a “culture of safety” in the production of consumer goods;
- Raising Chinese awareness of U.S. safety standards and expectations;
- Improving American knowledge and understanding of existing Chinese safety education curricula;
- Establishing working relationships between Chinese and American technological and educational institutions with a focus on educating the next generation of Chinese manufacturers, regulators, and policymakers.

CPSC staff intends to launch a pilot educational exchange program for a select group of leading Chinese academics in the fields of engineering, business, and public policy. The program will likely occur in the Washington, D.C. area, and may involve two to four weeks (or longer) of intensive dialogue, including lectures and discussions with leading American scholars, manufacturers, and policymakers. Participants may also meet with CPSC staff for educational sessions and laboratory training in specific product areas. Staff's ultimate desire is that attendees return to China with an improved understanding of consumer safety, and a strategy for implementing safety education in the classroom. Equipped with this knowledge, Chinese scholars can then help to usher in an era of product safety consciousness similar to that resulting from the U.S. consumer movement in the 1970's.

CPSC staff anticipates working with top American educational institutions in this effort. Ideally, the program will be organized and managed by a single university. To this end, CPSC staff is actively seeking a host institution for the program.

- With the leadership of former CPSC Chairman Nancy Steorts, we have initiated preliminary discussions with ***Syracuse University***. As an internationally recognized institution, Syracuse University is home to several prestigious schools, including the Maxwell School of Citizenship and Public Affairs, the Martin J. Whitman School of Management, the E.I. Newhouse School of Public Communications, and the L.C. Smith School of Engineering and Computer Science. Syracuse University is also uniquely positioned given its existing relationships with several leading Chinese Universities, including Shanghai University of Finance & Economics, and Tsinghua University in Beijing, among others.
- Staff is actively engaged in discussions with the ***China-U.S. Management Center of Georgetown University*** to determine whether opportunities exist for their participation in an academic exchange program. Dr. Longhue Zhao is a Chinese national and Visiting Scholar at Georgetown University. As Director of Georgetown's new China-U.S. Management Center, Dr. Zhao expressed great interest in involving his organization with this project in some capacity. Dr. Zhao is a Chinese national and a former member of the Chinese government. He has offered his assistance in identifying appropriate Chinese officials and scholars we may wish to target for the program. CPSC staff is pleased that Dr. Zhao has agreed to play an advisory role in its development and execution.
- To the extent that there are other well-recognized American universities that specialize in CPSC staff topics of interest, we will continue an ongoing outreach effort to further advance the exchange concept.

The ultimate aim is to establish a lead or host institution for this program. The lead institution will actively engage other prominent schools across the country. With CPSC support, the lead institution will be responsible for generating interest and participation among top departments and faculty. In addition, staff envisions a program with significant Chinese academic involvement. Potentially, a group of American scholars and policy experts could travel to China as part of a follow-up visit to strengthen ties, assess progress, and measure results.

In order to develop an effective curriculum for the program, however, CPSC staff first needs to identify the group of core competencies that are uniformly required in U.S. institutions of higher education – specifically, those institutions which are recognized in the fields of industrial engineering, public policy, regulatory studies, consumer and product safety, risk analysis, and quality assessment/control, among others. Staff also needs to conduct a thorough literature review to discover the prominent texts, relevant studies, and current research that is pertinent to the study of these particular fields. Staff is interested particularly in conducting a comparative analysis to assess the similarities and differences in American and Chinese educational institutions with respect to the aforementioned fields of study. It is the staff's belief that sharing knowledge of these areas not only helps achieve the goals of the exchange, but is also in the broader interest of all parties involved.

6.9 CPSC WEBSITE

The CPSC website holds the potential for disseminating important product safety information for foreign manufacturers and U.S. importers. The following links will be added to the China Program section of the website, located at www.cpsc.gov/businfo/china/china.html.

Standards Information

Facilitating information to foreign manufacturers about free electronic access to consumer product mandatory rules and voluntary standards information should enhance the conformity to U.S. consumer product safety standards. NIST's National Center for Standards and Certification Information (NCSCI) provides information on U.S., foreign, and international voluntary standards, government regulations, and conformity assessment programs free of charge. NIST is the sole U.S. inquiry point – an obligation resulting from the WTO Agreement on Technical Barriers to Trade (TBT Agreement), the North American Free Trade Agreement (NAFTA), and the International Organization for Standardization Information Network (ISONET). Countries bound by the WTO TBT Agreement must provide notice of proposed government safety regulations that may affect trade.

NIST has agreed to allow CPSC's website to link to the NCSCI. This will be a tremendous addition to the other resources available to the foreign manufacturers on the CPSC website. The CPSC website soon will be able to directly link foreign manufacturers with information on worldwide government regulations and voluntary standards.

Commercial Courses

CPSC staff recommends that manufacturers take advantage of courses and seminars that include the topics listed below, to improve their understanding of principles and practice of the design and manufacture of safe consumer products. Since these topics cover a broad spectrum of Executive/Managerial functions as well as technical requirements such as industrial engineering, Hazard Based Safety Engineering (HBSE), quality control, manufacturing and product design, it is unlikely to be one single course. Many of these topics are discussed in the *Handbook for Manufacturing Safe Consumer Products*. Staff suggests that a general listing of such courses be put on the CPSC website. Although CPSC staff are not able to make specific recommendations and official endorsement of any individual course, this listing will provide ready access of information on course sponsors to manufacturers, brokers, or other entities seeking improvement.

7 CONCLUSION

There is significant opportunity to improve consumer product safety in the United States by improving the safety of products imported from China. U.S. imports of Chinese consumer products substantially exceed imports from any other country and continue to grow. U.S. imports of Chinese products account for most CPSC staff-directed product recalls and seizures when compared with those from other countries.

CPSC signed an MOU with China in 2004 to begin addressing this situation and in 2005 staff began an initiative to develop strategies to reduce the numbers of violative products imported from China. Chairman Hal Stratton led a CPSC delegation at the first Sino-American Consumer Product Safety Summit with China's AQSIQ last August. At this time the first annual meetings of Working Groups in four priority products were conducted and progress is being made in developing solutions for product-specific problems. CPSC staff is conducting other activities aimed at compelling Chinese manufacturers to understand and apply the CPSC Three-Part Safety Message and to understand why producing safe products is necessary for their products to be legally imported and sold in the United States. These activities include conducting training seminars at retailer vendor meetings and at Chinese trade fairs. Staff believes that these steps will significantly improve the safety of Chinese consumer products imported into the United States.

8 LIST OF TABLES

Table 1: Imports Of Consumer Goods Under CPSC's Jurisdiction

Table 2: Seizures of Consumer Products: Share of Imports from China

Table 3: U.S. Attendees at the 2005 Sino-American Consumer Product Safety Summit

Table 4: Cigarette Lighter Working Group: CPSC Message and Support Data

Table 5: Electrical Products Working Group: CPSC Message and Support Data

Table 6: Fireworks Working Group: CPSC Message and Support Data

Table 7: Toys Working Group: CPSC Message and Support Data

9 LIST OF FIGURES

Figure 1: Map of the People's Republic of China

Figure 2: Imports of Consumer Goods under CPSC's Jurisdiction

Figure 3: 1997 and 2004 Imports of Products under CPSC's Jurisdiction

Figure 4: Imports of Products under CPSC's Jurisdiction by Country

Figure 5: CPSC Recalls of Imported Goods over Time

Figure 6: CPSC Recalls of Domestic and Imported Goods over Time

Figure 7: Recalls of Selected Products (Average Annual 1999-2004): Proportion from China

Figure 8: Units Recalled for Selected Products (Average Annual 1999-2004): Proportion from China

Figure 9: CPSC Notification of Violative Products to Foreign Manufacturers and Governments

10 REFERENCES

Edwards E. 2006. *Evaluation of Electrical Product Recalls from China and Hong Kong*. Memorandum from Erlinda Edwards, Director, Division of Electrical Engineering, to Patricia M. Bittner, M.S., Project Manager-China, Office of International Programs and Intergovernmental Affairs. U.S. Consumer Product Safety Commission. Bethesda, Maryland. January 11, 2006.

Fairall, P. 2006. *China Team Workgroup Summaries and Talking Points*. Memorandum from Patricia Fairall, M.S., Program Manager, Office of Compliance to Patricia M. Bittner, M.S., Project Manager-Consumer Product Safety Program Plan-China, Office of International Programs and Intergovernmental Affairs. U.S. Consumer Product Safety Commission. Bethesda, Maryland. February 7, 2006.

Tohamy. S. 2005a. *Imports of Consumer Goods from China and Hong Kong – UPDATED*. Memorandum from Soumaya M. Tohamy, Ph.D., Economist, to Patricia M. Bittner, M.S., Project Manager-China, Office of International Programs and Intergovernmental Affairs. U.S. Consumer Product Safety Commission. Bethesda, Maryland. August 8, 2005.

Tohamy S. 2005b. *Recalls and Seizures of Imports of Consumer Goods from China and Hong Kong – Updated*. Memorandum from Soumaya M. Tohamy, Ph.D., Economist, to Patricia M. Bittner, M.S., Project Manager-China, Office of International Programs and Intergovernmental Affairs. U.S. Consumer Product Safety Commission. Bethesda, Maryland. August 10, 2005.

Tohamy S. 2005c. *Share of Recalls of Consumer Goods from China (including Hong Kong) Relative to Their Share in Total U.S. Imports of these Goods*. Memorandum from Soumaya M. Tohamy, Ph.D., Economist, to Patricia M. Bittner, M.S., Project Manager-China, Office of International Programs and Intergovernmental Affairs. U.S. Consumer Product Safety Commission. Bethesda, Maryland. May 19, 2005.

Appendix A

Acronyms and Abbreviations

A2LA	American Association for Laboratory Accreditation
ACLI	Appliance Leakage Current Interrupter
AFSL	American Fireworks Standards Laboratories
AHAM	American Home Appliances Association
ANPRM	Advanced Notice of Proposed Rulemaking
ANSI	American National Standards Institute
ASTM	ASTM International (formerly the American Society for Testing and Materials)
AQSIQ	General Administration of Quality Supervision, Inspection, and Quarantine (China)
CCC	China Compulsory Certification (mark)
CFR	Code of Federal Regulations
CHEARI	China Household Electric Appliance Research Institute
CHEAA	China Household Electrical Appliances Association
CNAB	China National Accreditation Board for Certifiers
CNAL	China National Accreditation Board for Laboratories
CNAS	China National Accreditation Service
CNCA	China National Regulatory Commission for Certification and Accreditation
CPSA	Consumer Product Safety Act
CPSC	United States Consumer Product Safety Commission
CR	Child resistant
CSA	Canadian Standards Association
DVC	Digital Video Conferencing
EC	European Commission
EPA	United States Environmental Protection Agency
EU	European Union
FMEA	Failure Modes and Effects Analysis
GB	Guo Biao standards
GFCI	Ground Fault Circuit Interrupter
HTS	Harmonized Tariff Schedule
HBSE	Hazard Based Safety Engineering
ICPHSO	International Consumer Product Health and Safety Organization
IEC	International Electrotechnical Commission
IPIA	Office of International Programs and Intergovernmental Affairs
ISO	International Organization for Standardization
ISONET	International Organization for Standardization Information Network
ITA	International Trade Administration
ITU	International Telecommunications Union
MRA	Mutual Recognition Agreements
MSHA	Mine Safety and Health Administration
MOFCOM	Ministry of Commerce (China)
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Agreement
NCSCI	National Center for Standards and Certification Information (NIST)
NIST	National Institute of Standards and Technology
NRTL	Nationally Recognized Testing Laboratories
OSHA	Occupational Safety and Health Administration
PAC	Plan of Action on Cooperation
PRC	People's Republic of China (China)
SAC	Standardization Administration of China

UL	Underwriter's Laboratories
USTR	United States Trade Representative
WTO	World Trade Organization

Appendix B



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: August 8, 2005

TO : Patricia M. Bittner, M.S.
Project Manager, Consumer Product Safety Program Plan-China

THROUGH: Gregory Rodgers, Ph.D., AED, EC *GRK*
Deborah V. Aiken, Ph.D., Senior Staff Coordinator, EC *DVA*

FROM : Soumaya M. Tohamy, Ph.D. *ST*

SUBJECT : Imports of Consumer Goods from China and Hong Kong* - UPDATED

This memo is an update of a previous memo dated May 2, 2005. The attached figures and tables highlight imports of consumer goods under the jurisdiction of U.S. Consumer Product Safety Commission (CPSC) from China and Hong Kong, relative to imports of consumer goods from other countries and the trend over time. Specifically:

- The value of imports of consumer goods under CPSC's jurisdiction from all countries was \$519 billion in 2004.¹ The value of imports of consumer goods from China and Hong Kong was \$179 billion in 2004. Imports from China and Hong Kong, therefore, represented a little over a third of total imports in 2004. (See Table 1.)
- The value of imports from China and Hong Kong has increased from \$62.6 billion in 1997 to \$179 billion in 2004. This represents an increase of 186 percent over an eight year period. (See Table 1.)
- The share of imports from China and Hong Kong of all consumer products under CPSC's jurisdiction has increased from 21.0 percent in 1997 to 34.5 percent in 2004. This represents an increase of 64 percent. (See Table 1 and Figures 1, 2, 3, and 5.)
- Since 1997, annual imports from China and Hong Kong of consumer goods under CPSC's jurisdiction have exceeded imports from any other country. (See Table 2.)

* This analysis was prepared by CPSC staff, has not been reviewed or approved by, and may not necessarily reflect the views of the Commission.

¹ All dollar figures are nominal U.S. dollars.

NOTE: This document has not been
reviewed or accepted by the Commission.
Initial *rh* Date *8/25/05*

- Of the top 10 countries from which consumer goods under CPSC's jurisdiction are imported, China and Hong Kong have experienced the fastest growth rate in value of imports. (See Figure 4.)

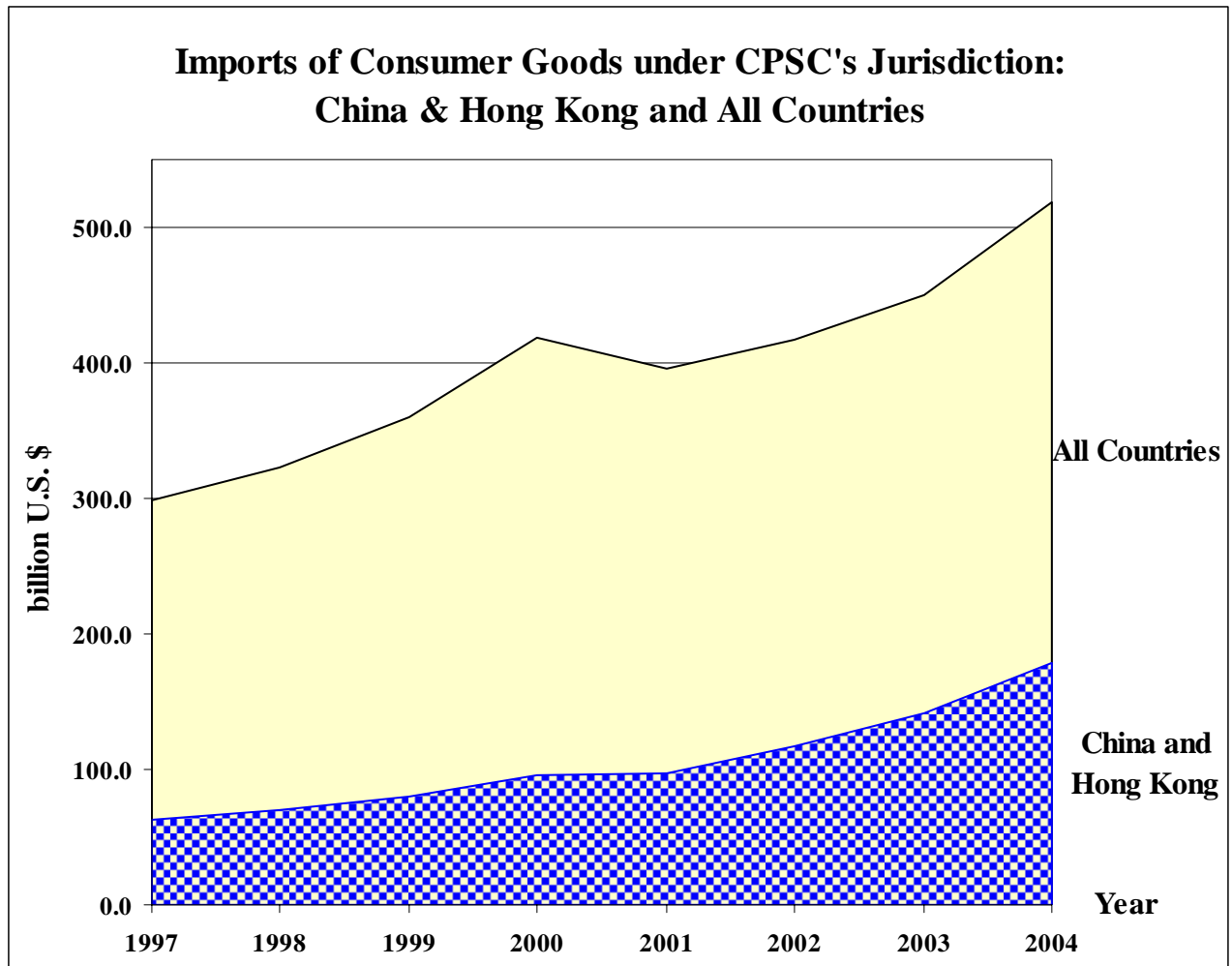
Additionally, imports from China and Hong Kong were estimated as a proportion of U.S. domestic consumption of consumer goods. (This measure represents the share of imports from China and Hong Kong in the domestic U.S. market for consumer goods.)

Specifically:

- Imports from China and Hong Kong represented 5.4 percent and 9.6 percent of domestic consumption of consumer goods in 1997 and 2002, respectively. (See Table 3.)
- Imports from China and Hong Kong are estimated to have represented 13.0 percent of domestic consumption of consumer goods in 2004. This estimate was derived by projecting 2004 domestic shipments based on historical trends.² (See Table 3.)
- The share of imports from China and Hong Kong in U.S. domestic consumption exceeded 50 percent in 2002 for dolls and stuffed toys (89 percent), other footwear (76 percent), fur and leather apparel (66 percent), women's handbags and purses (65 percent), women's footwear (59 percent), luggage (53 percent) and men's footwear (51 percent). (See Table 4.)

² Domestic shipments for 2004 are estimated based on data for domestic shipments from Bureau of the Census. These data are collected every five years, with 2002 being the most recent.

Figure 1



Source: U.S. International Trade Commission statistics and staff calculations.

**Table 1: Imports of Consumer Goods under CPSC's Jurisdiction
(Billion U.S. Dollars)**

	China and Hong Kong	All Countries	Share of Imports from China and Hong Kong in Imports from All Countries (%)
1997	62.6	297.9	21.02%
1998	70.4	322.2	21.84%
1999	80.7	360.6	22.37%
2000	96.1	418.4	22.97%
2001	97.7	395.8	24.67%
2002	117.8	417.2	28.24%
2003	142.1	449.5	31.61%
2004	179.0	518.7	34.50%

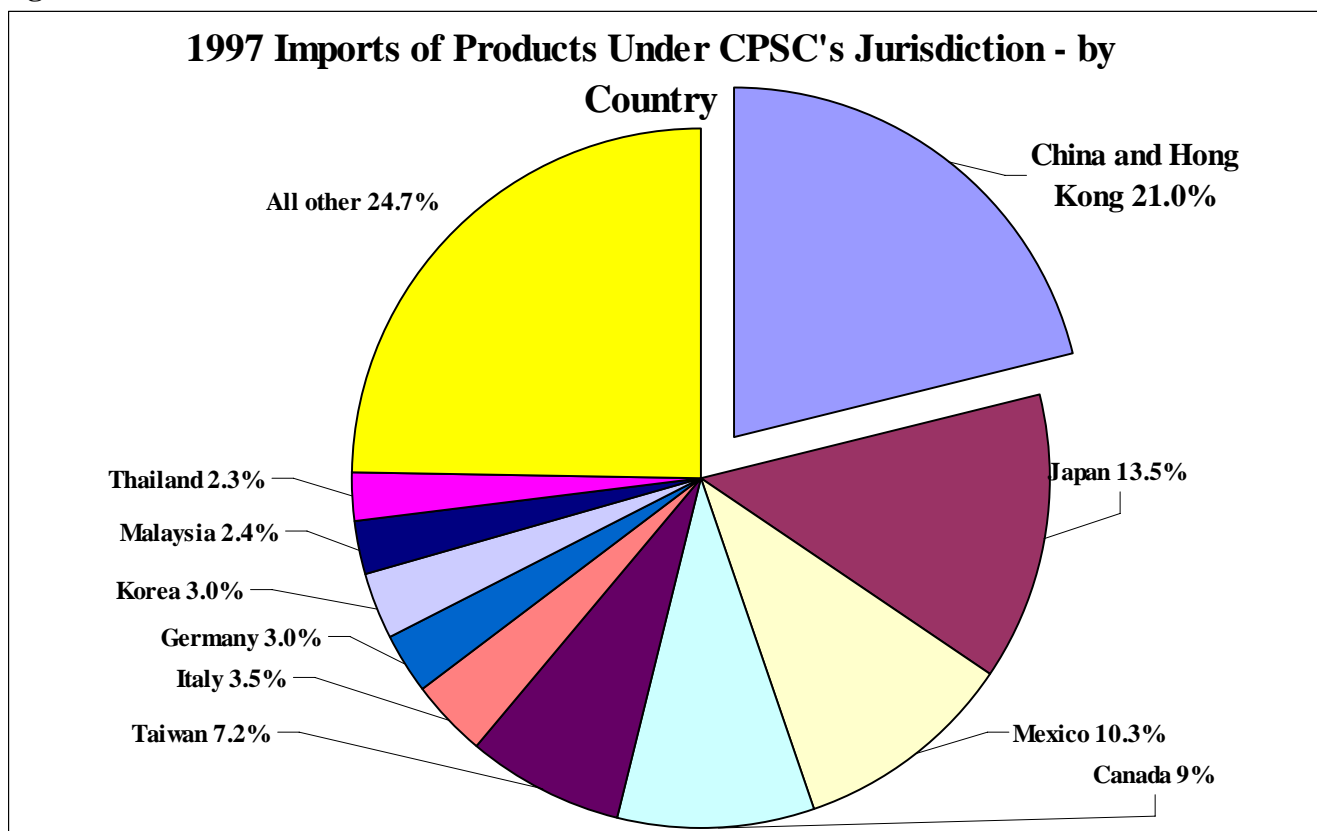
Source: U.S. International Trade Commission statistics and staff calculations.

**Table 2: Imports of Products under CPSC's Jurisdiction - by Country
(Million U.S. Dollars)**

COUNTRY	1997	1998	1999	2000	2001	2002	2003	2004
China and Hong Kong	62,614	70,364	80,691	96,095	97,660	117,826	142,099	178,980
Mexico	30,723	36,233	42,690	50,879	51,043	50,792	49,021	55,261
Canada	27,353	31,344	35,892	43,673	36,038	35,281	36,599	41,063
Japan	40,117	39,682	43,073	47,797	39,248	35,963	34,867	39,139
Korea	8,838	9,454	13,695	17,193	16,324	16,506	17,341	20,131
Taiwan	21,337	21,173	22,388	24,467	20,811	20,385	19,715	19,982
Malaysia	7,159	7,014	8,267	10,326	10,533	13,045	14,369	15,840
Germany	8,979	9,396	9,927	10,740	10,196	10,310	11,704	13,301
Italy	10,308	11,087	11,703	12,589	12,299	12,445	12,804	13,284
Thailand	6,954	7,386	8,021	9,133	8,764	9,366	9,030	10,610
India	3,945	4,434	4,766	5,593	5,287	6,135	7,063	8,311
United Kingdom	7,975	7,899	8,016	8,654	7,633	6,533	6,832	7,420
Indonesia	6,268	6,250	6,727	7,285	7,358	7,085	6,631	7,194
Brazil	2,847	2,721	2,865	3,769	4,312	4,945	5,540	5,778
Singapore	5,317	5,386	5,750	5,586	4,651	4,850	4,502	5,129
France	4,024	4,404	4,447	4,895	4,591	4,640	4,684	5,104
Vietnam	134	161	214	217	234	1,478	3,457	4,176
Philippines	4,134	4,082	4,417	4,927	4,956	5,064	4,519	3,949
Switzerland	2,606	2,905	3,412	3,465	2,912	2,879	3,032	3,574
All Other	36,266	40,863	43,680	51,080	50,995	51,704	55,705	60,517
Total	297,899	322,236	360,639	418,363	395,846	417,236	449,515	518,744

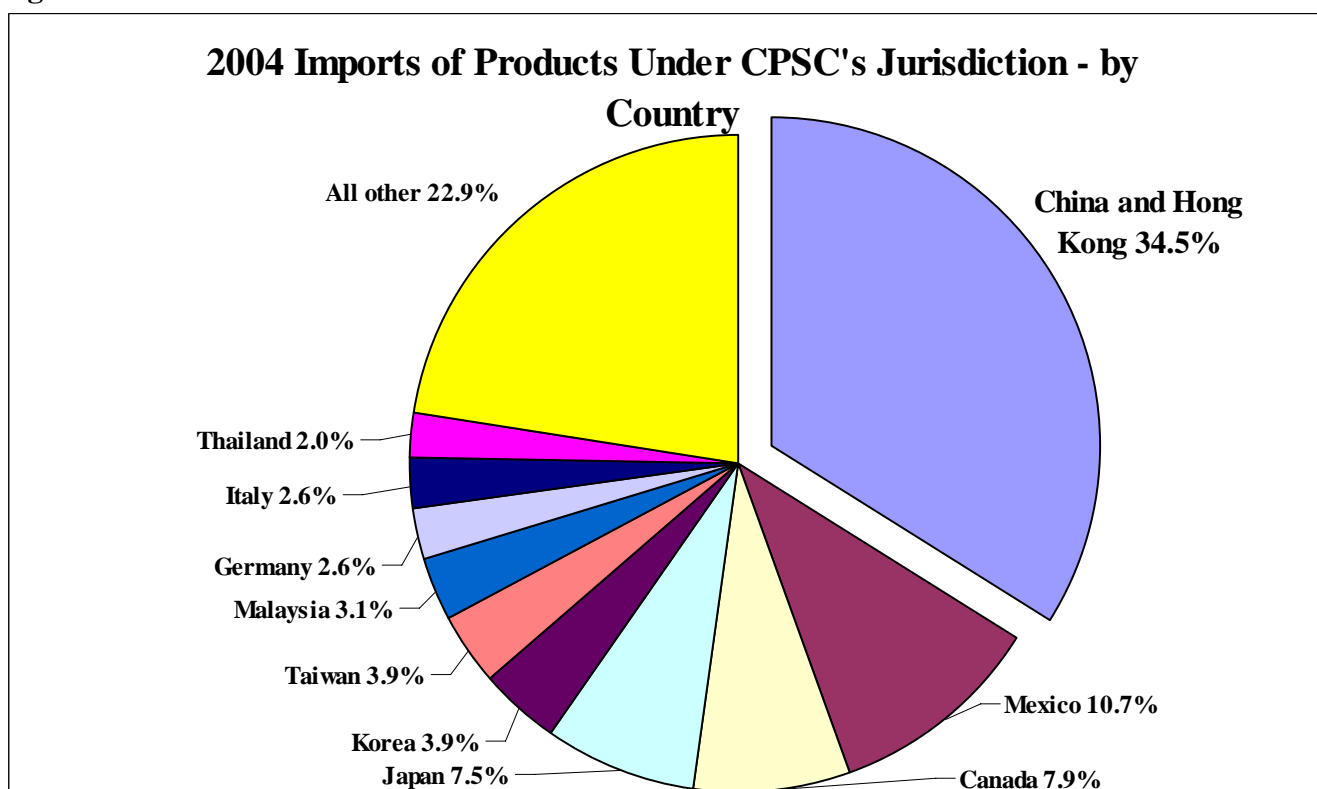
Source: U.S. International Trade Commission statistics and staff calculations.

Figure 2



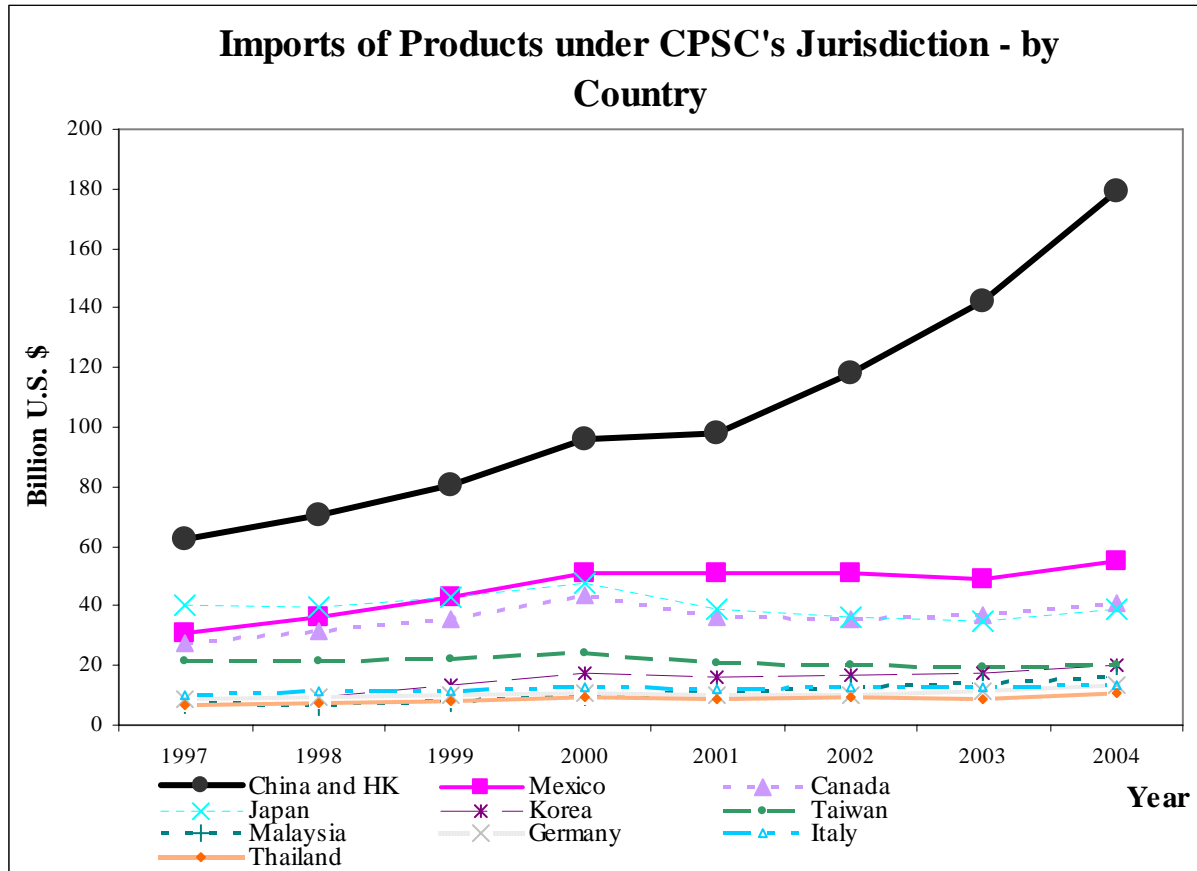
Source: U.S. International Trade Commission statistics and staff calculations.

Figure 3



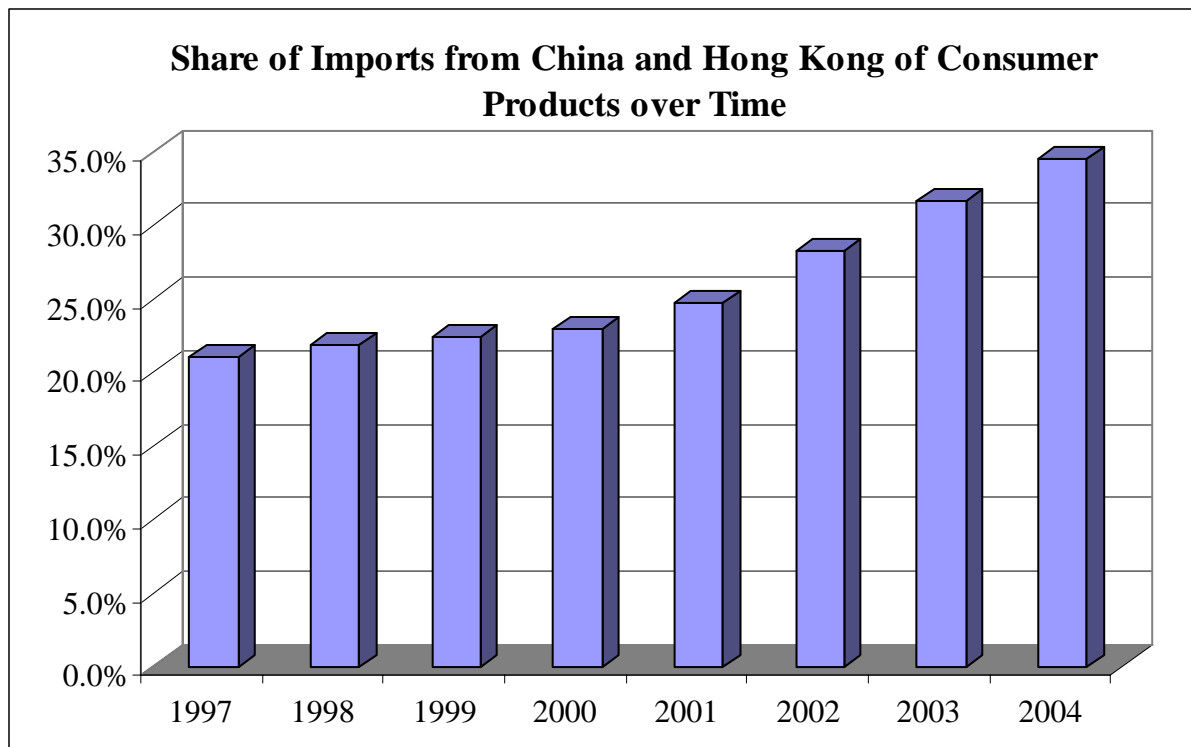
Source: U.S. International Trade Commission statistics and staff calculations.

Figure 4



Source: U.S. International Trade Commission statistics and staff calculations.

Figure 5



Source: U.S. International Trade Commission statistics and staff calculations.

Table 3: U.S. Imports of Consumer Goods from China and Hong Kong Relative to U.S. Consumption

Total Value of Domestic Shipments, Exports, and Imports of Consumer Goods* (million \$)	1997	2002	2004
U.S. Domestic Shipments (Wholesale Production)	1,043,569	979,327	1,039,941 (e)
U.S. Exports	183,887	166,353	178,779
U.S. Imports from All Countries	297,899	417,236	518,744
U.S. Imports from China	55,165	110,381	171,230
U.S. Imports from Hong Kong	7,449	7,445	7,750
U.S. Consumption (Shipments - Exports + Imports)	1,157,581	1,230,209	1,379,906
Imports from China and Hong Kong relative to U.S. Consumption (%)	5.41%	9.58%	12.97%

Source: Bureau of the Census and U.S. International Trade Commission statistics and staff calculations.

* Consumer goods are all goods under CPSC's jurisdiction.

(e) denotes estimated. The value of shipments for 2004 is estimated based on annual growth of manufacturing for GDP in 2002.

Table 4: U.S. Imports of Selected Consumer Goods from China and Hong Kong Relative to U.S. Consumption

Product	1997	2002
DOLLS AND STUFFED TOYS	87.0%	89.4%
OTHER FOOTWEAR	64.0%	76.2%
FUR AND LEATHER APPAREL	57.7%	65.6%
WOMEN'S HANDBAGS AND PURSES	49.2%	65.5%
WOMEN'S FOOTWEAR (EXCEPT ATHLETIC)	42.6%	59.1%
LUGGAGE	30.7%	53.1%
MEN'S FOOTWEAR (EXCEPT ATHLETIC)	33.0%	51.2%
GAMES, TOYS, AND CHILDREN'S VEHICLES	36.2%	48.7%
ELECTRIC HOUSEWARES AND HOUSEHOLD FANS	25.8%	46.6%
PERSONAL LEATHER GOODS (EXCEPT WOMEN'S HANDBAGS AND PURSES)	37.0%	46.1%
FOIL AND COATED PAPER AND PLASTIC BAGS	28.6%	43.2%
HOUSE SLIPPERS	22.4%	43.1%
RUBBER AND PLASTIC FOOTWEAR	30.3%	42.2%
RESIDENTIAL ELECTRIC LIGHTING FIXTURES	22.5%	40.2%
CHINA, FINE EARTHENWARE AND OTHER POTTERY PRODUCTS	23.2%	39.4%
SILVERWARE, PLATEDWARE AND HOLLOWWARE	13.1%	38.8%
GLOVES & MITTENS	27.8%	38.7%
OTHER APPAREL ACCESSORIES	18.5%	37.7%
COSTUME JEWELRY AND NOVELTIES	12.4%	34.6%
METAL HOUSEHOLD FURNITURE	11.2%	34.4%
INSTITUTIONAL FURNITURE	12.3%	32.5%
OTHER COMPUTER EQUIPMENT	9.6%	30.4%
LIGHTING EQUIPMENT, NESOI	22.3%	29.2%
INFANTS' APPAREL	9.6%	25.7%
AUDIO AND VIDEO EQUIPMENT	15.2%	25.1%
HATS AND CAP	12.5%	24.5%
MISCELLANEOUS MANUFACTURED COMMODITIES, NESOI	22.2%	23.5%
OFFICE MACHINERY	14.2%	23.5%
PHOTOGRAPHIC AND PHOTOCOPYING EQUIPMENT	9.3%	20.2%
WATCHES, CLOCKS, AND PARTS	19.1%	19.5%
POWER-DRIVEN HANDTOOLS	6.2%	18.8%
BLANKBOOK, BINDERS AND STATIONERY ARTICLES, NESOI	9.2%	18.5%
WOMEN'S AND GIRLS' SUITS, COATS, TAILORED JACKETS, AND SKIRTS	12.1%	17.7%
SPORTING AND ATHLETIC GOODS	10.8%	17.4%
WOMEN'S AND GIRLS' BLOUSES AND SHIRTS	21.0%	16.1%
WOMEN'S AND GIRLS' OTHER OUTERWEAR	17.3%	15.9%
SCALES AND BALANCES (EXCEPT LABORATORY)	6.7%	15.3%
All Consumer Goods	5.4%	9.6%

Source: Bureau of the Census and U.S. International Trade Commission statistics and staff calculations.

Appendix C



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: August 10, 2005

TO : Patricia M. Bittner, M.S.
Project Manager, Consumer Product Safety Program Plan-China

THROUGH: Gregory Rodgers, Ph.D., AED, EC *GR*
Deborah V. Aiken, Ph.D., Senior Staff Coordinator, EC *DVA*

FROM : Soumaya M. Tohamy, Ph.D. *ST*

SUBJECT : Recalls and Seizures of Imports of Consumer Goods from China and Hong Kong - UPDATED

This memo is an update of a previous memo dated May 4, 2005. The attached figures and tables present CPSC recall and import seizure data for consumer goods under the jurisdiction of U.S. Consumer Product Safety Commission (CPSC). Recalled products are taken off the market because they are determined by staff to present a substantial risk of injury or death to the public. Seized products are not allowed in the country (when inspected at the port of entry) because they may pose a risk of injury or death. Consequently, seized products do not make it to the market. All data used in the analysis were provided by Compliance staff.

Recall data for China and Hong Kong are presented relative to data for other countries and domestically produced goods. The data highlight China and Hong Kong's increasing share in recalled products. Specifically:

- Relative to recalls of all imported consumer goods, the share of recalls from China and Hong Kong increased from 41 percent in 1999 to 63 percent in 2004. (See Figures 1.a. and 1.b.) Figure 1.b. is similar to figure 1.a., but shows the recalls of all imported goods from China and Hong Kong relative to other countries.
- Relative to all recalls of consumer goods (i.e., recalls of domestically produced and imported goods), the share of recalls from China and Hong Kong increased from 27 percent in 1999 to 44 percent in 2004. (See Figure 2.)

* This analysis was prepared by CPSC staff, has not been prepared or approved by, and may not necessarily reflect the views of the Commission.

NOTE: This document has not been reviewed or accepted by the Commission.

Initial *rh* Date *8/25/05*

- Average annual recalls of fireworks, cigarette lighters, multi-purpose lighters, and candles produced in China and Hong Kong each represent more than 50 percent of all recalls for these products, including those domestically produced. Average annual recalls for electrical products and toys produced in China and Hong Kong represent more than 30 percent of all recalls for these products, including those domestically produced. (See Figure 3.)
- Average annual numbers of recalled units of fireworks, cigarette lighters, and multi-purpose lighters produced in China and Hong Kong each represent more than 90 percent of all recalled units of these products, including those domestically produced. (See Figure 4.)

Compliance data indicate that China and Hong Kong represent a large share of imports seized for selected consumer products. Specifically:

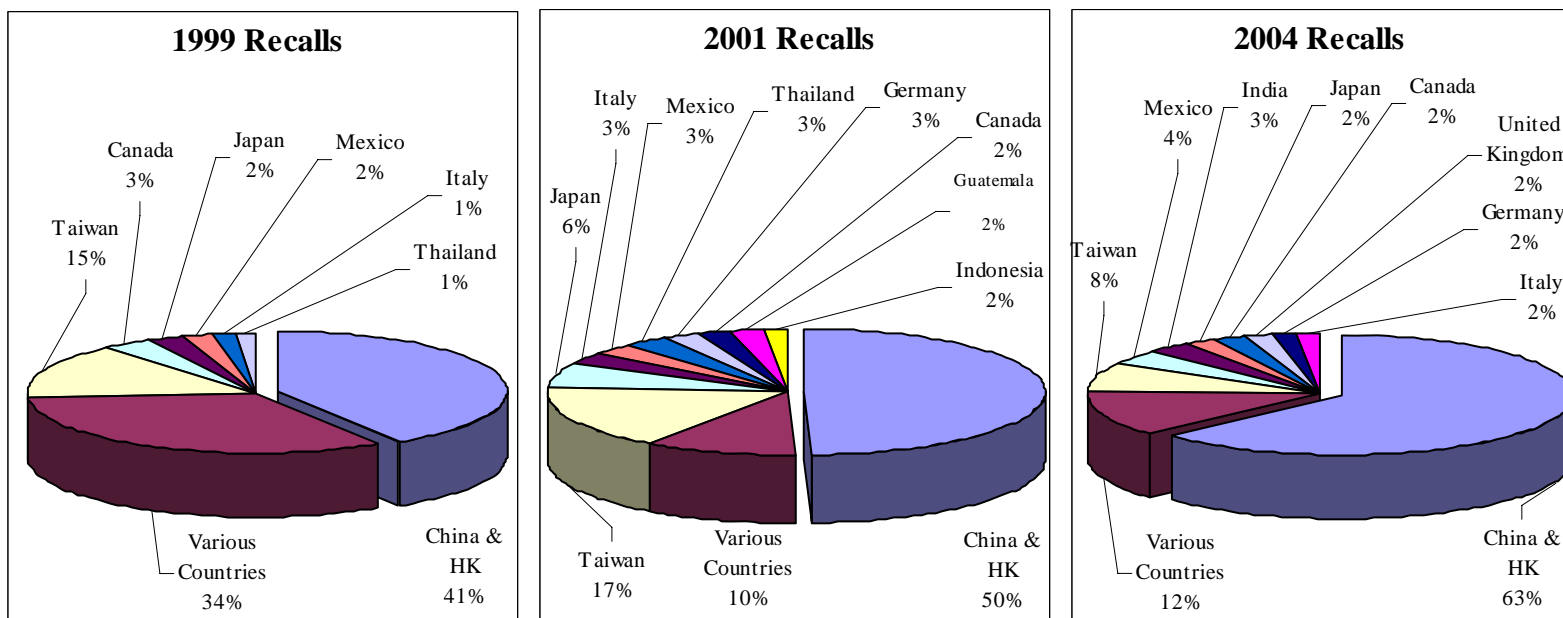
- During 1999-2004 China and Hong Kong represented on average almost all (i.e., more than 97 percent) seized imported units of cigarette lighters and fireworks, 89 percent of multi-purpose lighters, 70 percent of bicycles, and 59 percent of toys. (See Table 1.)
- During 1999-2004 China and Hong Kong represented on average almost all the retail value of seized imports of fireworks, 96 percent of cigarette lighters, 89 percent of multi-purpose lighters, 81 percent of toys, and 60 percent of bicycles. (See Table 1.)

Figure 1.a: CPSC Recalls of Imported Goods over Time



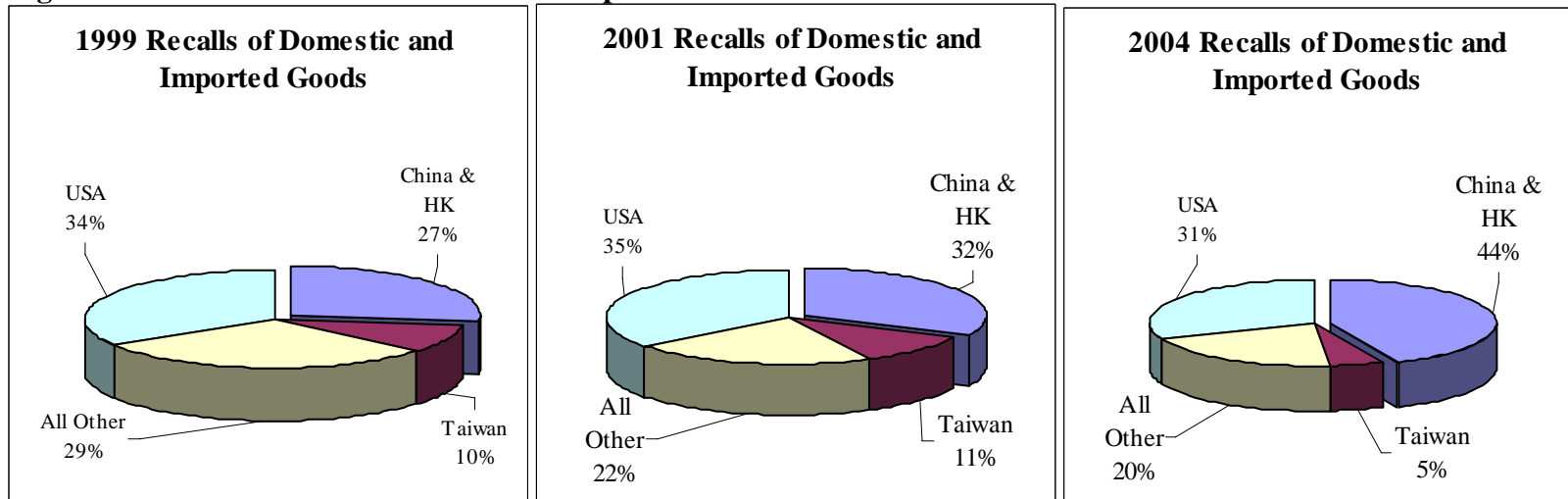
Source: CPSC Compliance data and staff calculations.

Figure 1.b: CPSC Recalls of Imported Goods over Time



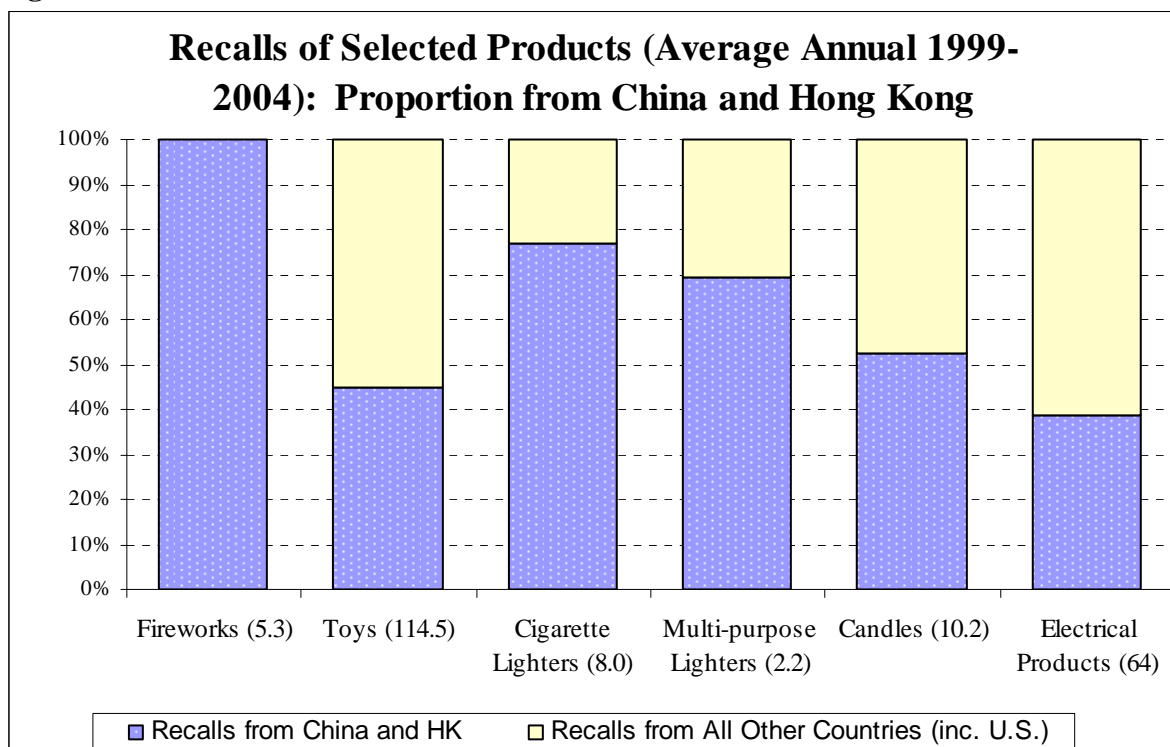
Source: CPSC Compliance data and staff calculations.

Figure 2: CPSC Recalls of Domestic and Imported Goods over Time



Source: CPSC Compliance data and staff calculations.

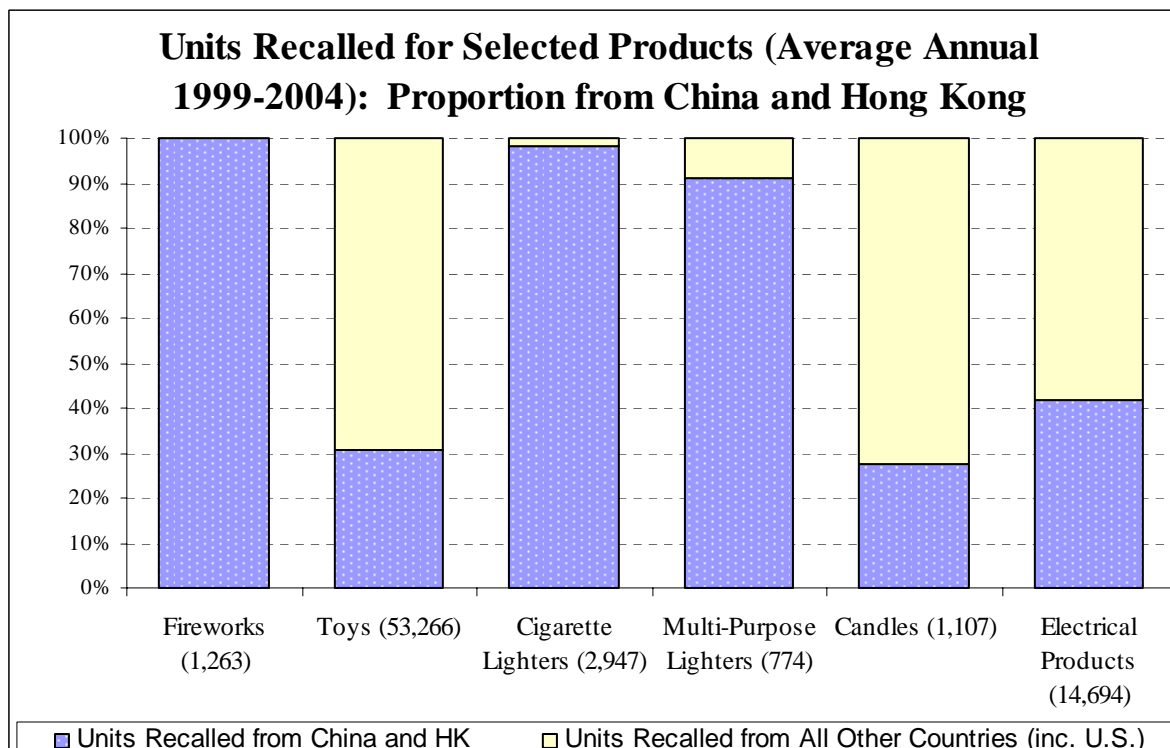
Figure 3:



Source: CPSC Compliance data and staff calculations.

Note: Average annual number of recalls in parentheses.

Figure 4:



Source: CPSC Compliance data and staff calculations.

Note: Average annual number of units recalled (in thousands) in parentheses.

Table 1: Seizures of Consumer Products: Share of Imports from China and Hong Kong

	1999	2000	2001	2002	2003	2004	Average
IMPORTS OF SEIZED PRODUCTS FROM CHINA AND HONG KONG							
Number of Seized Units (000)							
Cigarette Lighters	11,997	9,080	6,073	781	390	582	4,817
Fireworks	10,996	867	8,466	1,929	1,060	4,541	4,643
Toys	953	281	346	149	92	644	411
Bicycles	1	-	7	17	-	-	8
Multi-Purpose Lighters	-	-	410	255	67	231	241
Estimated Retail Value (\$000)							
Cigarette Lighters	10,048	6,876	8,114	624	997	3,589	5,041
Fireworks	668	465	767	316	633	574	570
Toys	579	281	624	329,803	306	723	55,386
Bicycles	84	-	209	836	-	-	376
Multi-Purpose Lighters	-	-	971	339	31	308	412
SHARE OF CHINA AND HONG KONG IN TOTAL IMPORTS OF SEIZED PRODUCTS							
Number of Seized Units (%)							
Cigarette Lighters	90.1%	97.6%	99.4%	99.7%	100.0%	100.0%	97.8%
Fireworks	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%
Toys	88.9%	27.0%	80.4%	98.3%	8.7%	48.1%	58.6%
Bicycles	50.0%	-	82.7%	76.6%	-	-	69.8%
Multi-Purpose Lighters	-	-	56.9%	99.9%	100.0%	100.0%	89.2%
Estimated Retail Value (%)							
Cigarette Lighters	92.4%	89.1%	97.9%	97.6%	100.0%	99.9%	96.2%
Fireworks	99.4%	100.0%	100.0%	96.6%	100.0%	100.0%	99.3%
Toys	76.9%	48.6%	83.9%	95.1%	98.6%	84.3%	81.2%
Bicycles	50.0%	-	43.8%	84.9%	-	-	59.5%
Multi-Purpose Lighters	-	-	55.6%	99.7%	100.0%	100.0%	88.8%

Source: CPSC Compliance staff and staff calculations.

All values are for fiscal years.

Appendix D

CPSC Staff Conformity Assessment Message for China*

Manufacturer/Brand Owner Message

1. For those products where a certification program exists, certification of products is recommended

- You may also take advantage of various product certification programs associated with certain industries, such as **
 - a) Juvenile Product Manufacturing Association for “juvenile products,”
 - b) American Fireworks Standards Laboratory for fireworks, and
 - c) an OSHA National Recognized Testing Laboratory (NRTL) for certification of electrical and life-safety products, such as fire sprinklers, carbon monoxide and smoke detectors, fire extinguishers, seasonal/decorative products, electrical outlet strips, etc (e.g., UL, CSA, ITSNA, etc).
- Important elements of certification (ISO/IEC Guide 65) are surveillance services such as:
 - a) Factory inspections
 - b) Pre-market production sample testing, and
 - c) Post-market testing.

2. Get Product Tested

- We recommend product testing, internally or externally, by an accredited test laboratory:
 - a) accredited to the ISO/IEC 17025 standard by a recognized accreditation body
 - b) with the appropriate scope to ensure the laboratory’s technical competence for the specific product safety standards.
- Tested products should be representative of production.

3. Standards and Training are Recommended

- Employ appropriate quality control systems for product characteristics that impact safety.
- For manufacturers whose activities involve design:
 - a) identify appropriate U.S. safety standards
 - b) translate those standards when necessary
 - c) incorporate safety standards into product design, and
 - d) consider product safety engineering courses for key design staff.

* These suggestions are those of CPSC staff, have not been reviewed or approved by, and may not reflect the views of, the Commission.

** Views of the Association or the labs mentioned may not reflect the views of the Commission.

U.S. Retailer/Importer Message

1. Internal or External Testing is Recommended

- The US CPSC staff recommends that U.S. retailers/importers expect that all products bound for the U.S. market be designed to meet appropriate product safety standards and be tested to these standards by an accredited laboratory, either internally or externally. Tested products should be representative of production. Retailers/importers should undertake or arrange for surveillance activities which they consider necessary to insure that marketed products continue to meet the standards to which the sample products were tested.

2. Standards and Training are Recommended

- We recommend that U.S. retailers/importers expect and encourage their manufacturers/suppliers/vendors:
 - a) To employ appropriate quality control systems for product characteristics that impact safety.
 - b) Identify or develop appropriate testing and/or certification resources to demonstrate compliance with U.S. standards.
 - c) For manufacturers whose activities involve design:
 - identification of appropriate U.S. safety standards,
 - translation of those standards when necessary,
 - incorporation of safety standards into product design, and
 - consideration of product safety engineering courses for key design staff.

...

Appendix E

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE U.S. CONSUMER PRODUCT SAFETY COMMISSION
AND

**THE GENERAL ADMINISTRATION OF QUALITY SUPERVISION, INSPECTION
AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA**

The U.S. Consumer Product Safety Commission (CPSC) and The General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ), hereinafter referred to as "the Participants",

RECOGNIZING that the CPSC is an independent federal regulatory agency to protect the public against unreasonable risks of injuries and deaths associated with consumer products; and is charged with the enforcement of the U.S. Consumer Product Safety Act (CPSA), the U.S. Federal Hazardous Substances Act (FHSA), the U.S. Flammable Fabrics Act (FFA), the U.S. Poison Prevention Packaging Act (PPPA) and the U.S. Refrigerator Safety Act (RSA).

RECOGNIZING that AQSIQ is the Government agency responsible for the supervision and administration of China's import and export commodity inspection; is in charge of the supervision and administration of certification and standardization; and is responsible for the supervision and administration of China's import and export commodity inspection in accordance with the laws and regulations of China and international practice.

The Participants under this Memorandum of Understanding (MOU) have reached an understanding as follows:

In order to protect the health and safety of consumers, the Participants intend, on the basis of applicable laws and regulations of each Participant's country, to cooperate in areas that are within the scope of responsibilities of both Participants and in the scope of consumer products of mutual concern. This includes:

1. Exchange of scientific, technical, and regulatory information, to help ensure the quality, safety, and proper labeling of consumer products covered in Annex 1 "List of Scope of Consumer Products");
2. Both Participants recognize the "List of Scope of Consumer Products" as the annex to this MOU. If necessary, the scope of the consumer products can be adjusted through consultations by mutual agreement;
3. Exchange of information of emerging issues of significant public health and safety within the scope of the mandate and authority of each Participant. Information regarding products and manufacturers may be provided if necessary and permitted under the laws of each country;
4. The Participants are to address safety problems of consumer products covered in this MOU which are manufactured in the country of one Participant and sold in the country of another Participant through consultations, and do their best to avoid any other problems caused by the above-mentioned safety issues.
5. Both Participants are to consider the inspection results obtained by the laboratories authorized by the other Participant.
6. Participate in training of laboratory and inspection personnel of the other Participant, as mutually agreed in advance.

In order to conduct the activities under this MOU, the Participants intend to develop a Plan of Action on Cooperation, which outlines the scope and details of their cooperation for each activity. Any and all activities under this MOU will be subject to the needs of both Participants based on mutual agreement. Both Participants understand that any and all activities under this MOU will be subject to the availability of funds and resources and the laws governing the respective Participants. Each Participant shall designate contact persons (see Annex 2) for developing a relevant draft plan for carrying out the above mentioned activities.

In the implementation of any of the above exchanges, the Participants understand that all travel and per diem expenses incurred by one of the Participants in the course of providing technical assistance/training or other non-regulatory activities requested by the other Participant under this MOU should be borne by the requesting Participant. Health and hospital insurance coverage is the responsibility of the traveling Participant.

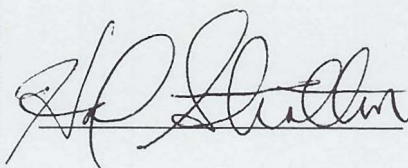
This MOU may be modified at any time with the approval in writing of both Participants.

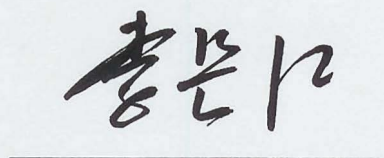
This MOU is to become effective on the date of signature and continue in effect for a period of three years from such date, unless one Participant notifies the other of its intention to terminate the MOU sooner. Such notification should be given to the other Participant no later than 30 days before termination of the MOU. The MOU may continue to be extended for another three years from such date unless otherwise terminated by one of the Participants with 30 days advance notice of termination, if possible.

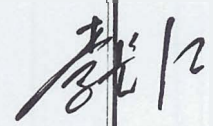
This MOU is signed in duplicate at Washington on April 21, 2004, in the English and Chinese languages.

For the U.S. Consumer Product
Safety Commission

For the General Administration of Quality
Supervision, Inspection and Quarantine
of the People's Republic of China

HDS






Annex 1

List of Scope of Consumer Products

The scope of consumer products for cooperation is as follows:

Clothing, textiles, toys
Hazardous products such as cigarette and multipurpose lighters
Home appliances
Hazardous chemical consumer products
Bicycle helmets

Annex 2

Contact Persons

US Side:

Colin Church

Voluntary Standards & International Activities Coordinator, U.S. CPSC

Tel. 301-504-7245, E-mail: cchurch@cpsc.gov

Alan Schoem

Assistant Executive Director, Office of Compliance, U.S. CPSC

Tel. 301-504-7519, E-Mail: aschoem@cpsc.gov

Chinese Side:

Yuan Changxiang

Deputy General Director of the Department for Supervision on Inspection, AQSIQ

Tel: +86-010-82261922, E-mail: yuancx@aqsiq.gov.cn

Yu Qunli

Deputy Director of the Department for Supervision on Inspection, AQSIQ

Tel: +86-010-82261936, E-mail: yuql@aqsiq.gov.cn

Cao Yufang

An official of the Department for Supervision on Inspection, AQSIQ

Tel: +86-010-82261938, E-mail: caoyf@aqsiq.gov.cn

Appendix F

Consumer Product Safety Standards Matrix.

DRAFT 8/22/05

Product Description	Hazard	Number of Cases	Number of Units	HTS	Standard No.	Standard Title	CPSC Statute	GB Standard CNIS	ISO Standard	IEC Standard
All-Terrain Vehicles	Loss of Control, Fire	3	59,818	8711	ANSI/ SVIA – 1- 2001	4 Wheel All-Terrain Vehicle Equipment Configuration and Performance Requirements.	CPSA			
Aluminum Folding Ladders	Falls	1	1,535	7616.99	ANSI A14.2-2000	American National Standard for Ladders- Portable Metal-Safety Requirements	CPSA	GB 12142-89		
Baby Walkers	Choking, Cuts, Falls	6	446,520	9501	ASTM F977-03	Standard Consumer Safety Specification for Infant Walkers	FHSA			
Back Pack	Strangulation	1	11,984	9401.8	ASTM F2236-03	Standard Consumer Safety Specification for Soft Infant Carriers	FHSA			
Child Carrier										
Bicycles	Falls	14	352,347	8712	16 CFR 1512	Requirements for Bicycles	CPSA	GB 3565-93	4210	
							FHSA	GB 13472-92	5775-1	
								GB 14746-93	5775-2	
								GB/T 3564-93	6698	
								GB/T 3566-93	7636	
								GB/T 3567-83	8090	
								GB/T 11183-89	8488	
								GB/T 11184-89	11243	
								GB/T 12742-91		
Bicycle Helmets		3	31,949	6504	16 CFR 1203	Safety Standard for Bicycle Helmets	CPSA			
Bunk Beds	Falls	2	4,383	9403.5	16 CFR. 1213,	Safety Standard for Entrapment Hazards in Bunk Beds, Hazardous Substances and Articles,	CPSA		9098-1	
					1500, and 1513	Requirements for Bunk Beds	FHSA		9098-2	
Cable Gun Locks	Unauthorized Access	3	3,141,368	----	ASTM F2369	Standard Safety Specification for Non-Integral Firearm Locking Devices	CPSA			
Candle Holders/ Glass Cont.	Fire, Burn, Cuts	13	563,450	7013.99	ASTM F2179-02	Standard Specification for Annealed Soda-Lime Silicate Glass Containers that are Produced for use as Candle Containers (under development)	CPSA			
Candles-Fire Safety	Fire, Burn	18	1,375,920	3406	ASTM F2417-04 ASTM F2058-00	Standard Specification for Fire Safety for Candles Standard Specification for Cautionary Labeling for Candles Burned in a Home	CPSA			
Carpets		1	12,848	5701 to 5705	16 CFR 1630	Standard for the Surface Flammability of Carpets and Rugs	FFA	GB/T 11746-89	1763	
								GB/T 14768-93	2549	
								GB/T 15050-94	2550	
								GB/T 15051-94	4919	
								GB/T 15864-95	5086	
								GB/T 15965-95	5999	
									11859	
									11860	
Chairs	Collapse, Crush, Cuts	13	12,749,520	9401	ASTM F1561 ASTM F1838	Performance Requirements for Outdoor Plastic Chairs Performance Requirements for Child's Plastic Chairs for Outdoor Use	CPSA FHSA	GB/T 3326-82 GB/T 3976-83	5970 7173	
					ASTM F1912	Specification for Safety of Bean Bag Chairs		GB/T 10357.2-89 GB/T 10357.3-89	7174-1 7174-2 22880	
Children's Products (Chemical)		2	112,720	9503	16 CFR 1500.18	Banned toys and other banned articles intended for use by children	FHSA		8124-3	
Children's Products (Flammable)		1	6,000	9503	16 CFR 1500.13	Listing of "Strong Sensitizer" Substances	FHSA		8124-2	
Children's Products (Mechanical)	Mechanical	48	18,470,110	9503			FHSA		9221-1 9221-2	
Children's Products (Strangulation)	Strangulation	12	7,797,301	9503			FHSA			
Cigarette Lighters		122	19,165,894	9613	16 CFR 1210	Safety Standard for Cigarette Lighters	CPSA		9994	

Low millions

Mid millions

High millions

*This document has been prepared by CPSC staff, has not been reviewed or approved by, and may not reflect the views of, the Commission.

Consumer Product Safety Standards Matrix.

DRAFT 8/22/05

Product Description	Hazard	Number of Cases	Number of Units	HTS	Standard No.	Standard Title	CPSC Statute	GB Standard CNIS	ISO Standard	IEC Standard
Clothing		2	105,000	61.62	16 CFR 1610	Standard for the Flammability of Clothing Textiles	FFA	GB/T 2662-81		
Dirt Bikes		1	5,775	8711	TBD	Need more information	CPSA			
Dive Sticks	Impalement; Eye, Facial Injuries	11	5,294,981	9503	16 CFR 1500.18, 1500.86	Banned Toys and Other Banned Articles Intended for use by Children, Exemptions from Classification	FHSA			
Electric Scooters			164,119	8711., 8713.	none		CPSA			
Ethylene Glycol		1	77,616	3820, 3900	16 CFR 1700.14	Substances Requiring Special Packaging	PPPA			
Fireworks		32	16,462,567	3604	16 CFR 1507	Fireworks Devices	CPSA FHSA	GB 11652-89 GB/T 10632-89 GB/T 15813-95 GB/T 15814.1-95 GB/T 15814.2-95 GB/T 15814.3-95		
Full-Size Cribs	Entrapment, Strangulation	2	3,782	9403.5	ASTM F1169-03	Standard Specification for Full Size Baby Crib	FHSA		7175-1 7175-2	
Gas grills	Fire, Burn, Cuts	14	568,011	8419	ANSI Z21.58-1995 CGA 1.6-M95 (R2002)	Outdoor Cooking Gas Appliances	CPSA			
Gas Scooters		1	700	8711	none		CPSA			
Infant Cushions		1	2,033	9503	16 CFR 1500.18	Banned Toys and Other Banned Articles Intended for Use by Children	FHSA			
Infant Swing	Falls	3	66,343	9503	ASTM F2088-03	Standard Consumer Safety Specification for Infant Swings	FHSA			
Kick Scooters			2,013	8712	ASTM F2264-03	Standard Consumer Safety Specification for Non-Powered Scooters	CPSA			
Lead in Children's Product		1	3,038,640	9503	16 CFR 1500	Hazardous Substances and Articles	FHSA			
Lead in Paint (Not Child)		2	12,000	3208 to 3210	16 CFR 1303	Ban of Lead-Containing Paint and Certain Consumer Products Bearing Lead-Containing Paint	CPSA			
Lead in Paint (Toys)		9	727,877	9503	16 CFR 1303	Ban of Lead-Containing Paint and Certain Consumer Products Bearing Lead-Containing Paint	CPSA			
LPG Cylinder Valves	Burns	1	31,699	9026	UL 1769 UL 2061	Standard for Cylinder Valves Standard for Adapters and Cylinder Connection Devices for Portable LP-Gas Cylinder Assemblies	CPSA			
Methyl Salicylate		4	202,252	3301	16 CFR 1700.14	Substances Requiring Special Packaging	PPPA			
Multi-Purpose Lighters		4	4,233,340	9613, 8020	16 CFR 1212	Safety Standard for Multi-Purpose Lighters	CPSA		22702	
Non-motorized Scooters	Loss of Control, Falls, Amputation	5	474,661	8712	ASTM F2264-03	Standard Consumer Safety Specification for Non-Powered Scooters	CPSA			
Oil Lamp			474,661	7013	None	European Standard: EN/CEN 14095Decorative Oil Lamps – Safety Requirements and Test Methods	CPSA			
Changing Table*	Asphyxiation*	1*	538,000	9403.5	ASTM F2388-04e1	Standard Consumer Safety Specification for Baby Changing Tables for Domestic Use	FHSA			
Pacifiers		4	485,440	3926.9	16 CFR 1511	Requirements for Pacifiers	FHSA			
Playpen*	Asphyxiation*	1*		9503	ASTM F 406-04	Consumer Safety Specification for Non-Full-Size Baby Cribs/Play Yards	FHSA			
					16 CFR 1509	Requirements for Non-Full-Size Baby Cribs				
Propane Heaters	Carbon Monoxide	2	173,002	8416	ANSI Z21.86-2004/ CSA 2.32-2004 ANSI Z21.11.2-2002 ANSI Z21.91-2001	Vented Gas-Fired Space Heating Appliances Gas-Fired Unvented Room Heaters, Volume II Ventless Firebox Enclosures for Gas-Fired Unvented Decorative Room Heaters	CPSA			

Low millions

Mid millions

High millions

*This document has been prepared by CPSC staff, has not been reviewed or approved by, and may not reflect the views of, the Commission.

Consumer Product Safety Standards Matrix.

DRAFT 8/22/05

Product Description	Hazard	Number of Cases	Number of Units	HTS	Standard No.	Standard Title	CPSC Statute	GB Standard CNIS	ISO Standard	IEC Standard
					ANSI Z21.76-1994 (R2000)	Gas-Fired Unvented Catalytic Room Heaters for Use with Liquefied Petroleum (LP) Gases				
					ANSI Z83.19-2001/ CSA 2.35-2001	Gas-Fired High-Intensity Infrared Heaters				
					ANSI Z83.20-2001/ CSA 2.34 2001	Gas-Fired Tubular and Low Intensity Infrared Heaters				
					ANSI Z21.63 2000/ CSA 11.3-2000	Portable Type Gas Camp Heaters				
Rattles		7	603,430	9503	16 CFR 1510	Requirements for Rattles	FHSA			
Sleepwear		12	321,299	6107,6108, 6208, 6209	16 CFR 1615, 1616	Standard for the Flammability of Children's Sleepwear: Sizes 0 through 6X and Sizes 7 through 14	FFA			
Stationary Activity Centers	Choking, Falls, Pinch	3	124,736	9503	ASTM F2012-00	Standard Consumer Safety Performance Specification for Stationary Activity Centers	FHSA			
Strollers	Collapse	5	355,196	8715	ASTM F833-01	Standard Consumer Safety Performance Specification for Strollers and Carriages	FHSA	GB 14748-93		
Toy Chests	Crush, Entrapment	3	3,507	9403.5	ASTM F963	Standard Consumer Safety Specification on Toy Safety	FHSA			
Toy Premiums			39,485,194	9503	ASTM F 963	Standard Consumer Safety Specification on Toy Safety	FHSA			
Toys - Small Balls		2	89,700	9503	16 CFR 1500.18	Banned Toys and Other Banned Articles Intended for Use by Children	FHSA			
Toys - Sharp Edges		1	33,600	9503	16 CFR 1500.49	Technical Requirements for Determining a Sharp Metal or Glass Edge in Toys and Other Articles Intended for Use by Children Under 8 Years of Age	FHSA			
Toys - Sharp Points		2	40,497	9503	16 CFR 1500.48	Technical Requirements for Determining a Sharp Point in Toys and Other Articles Intended for Use by Children Under 8 Years of Age	FHSA			
Toys - Small Parts		96	38,583,011	9503	16 CFR 1501	Method for Identifying Toys and Other Articles	FHSA	GB 9832-93 GB 6675-86	8124-1	
Tree Stands	Falls	3	503,781	----	ASTM F 2120 – 01	Standard Practice for Testing Treestand Load Capacity	CPSA			
					ASTM F 2121 – 01	Standard Practice for Treestand Labels				
					ASTM F 2122 – 01	Standard Practice for Treestand Safety Devices				
					ASTM F 2123 – 01	Standard Practice for Treestand Instructions				
					ASTM F 2124 – 01	Standard Practice for Testing Ladder Treestand, Tripod Treestand and climbing stick Load Capacity				
					ASTM F 2125 – 01	Standard Test Method for Treestand Static Stability				
					ASTM F 2126 – 01	Standard Test Method for Treestand Static Load Capacity				
					ASTM F 2127 – 01	Standard Test Method for Treestand Adherence				
					ASTM F 2128 – 01	Standard Test Method for Treestand Repetitive Loading Capability				
					ASTM F 2275 – 03	Standard Practice for Treestand Manufacturer Quality Assurance Program				
					ASTM F 2337 – 03	Standard Test Method for Treestand Fall Arrest System				
Vinyl Plastic Film		1	6,000		16 CFR 1611	Standard for the Flammability of Vinyl Plastic Film	FHSA			
Electrical Products										
Product Description	Hazard	Number of Cases	Number of Units	HTS	Standard No.	Standard Title	CPSC Statute	GB Standard (CCC Mark)	ISO Standard	IEC Standard
A/C Adapters	Electrocution, Electric Shock, Fire	8	788,183	8517.9	UL 1310	Class 2 Power Units	CPSA			61558-1
										61558-2-7
										61558-2-8
										61558-2-13
Appliance Timers			40,00	9106.9	UL 8730-2-7	Electrical Controls for Household and Similar Use, Part 2: Particular Requirements for Timers and Switches	CPSA			
Battery Chargers	Fire	4	2,191,023	8517.9	UL 1310	Class 2 Power Units	CPSA	GB 4706.18-88		60335-2-29

Low millions

Mid millions

High millions

*This document has been prepared by CPSC staff, has not been reviewed or approved by, and may not reflect the views of, the Commission.

Consumer Product Safety Standards Matrix.

DRAFT 8/22/05

Product Description	Hazard	Number of Cases	Number of Units	HTS	Standard No.	Standard Title	CPSC Statute	GB Standard CNIS	ISO Standard	IEC Standard
Cell Phone Batteries		2	1,111,758	8506	UL 1642	Lithium Batteries	CPSA			
Christmas Lights	Electrocution, Electric Shock, Fire, Burn	21	1,404,426	9405.3	UL 588	Household and Commercial Batteries Seasonal and Holiday Decorative Products	CPSA			
Circular Saws		2	182,729	8465.91	UL 745-2	Portable Electric Tools	CPSA	GB 3883.5-91 GB 13960.2-96 GB 16272-96 GB/T 6130-85 GB/T 11270-89 GB/T 13573-92 GB/T 14303-93 GB/T 14387-93 GB/T 14388-93	2924 2935 7008 7957 7958 7959 7983 9616	
Coffee Makers	Burn	2	286,160	8516.71	UL 1082	Household Electric Coffeemakers and Brewing Type Appliances	CPSA			60661
Cordless Drills	Fire, Burn	2	1,224,760	8467.21	UL 745-3	Portable Battery-Operated Tools	CPSA			
Cordless Vacuum	Fire	1	1,544,400	8509.102	UL 1017	Vacuum Cleaners, Blower Cleaners and Household Floor Finishing Machines	CPSA	GB 4706.7-86		
Curling Irons	Electric Shock	1	26,999	8516.322	UL 859	Household Electric Personal Grooming Appliances	CPSA			
Deep Fat Fryers	Burn	2	88,299	8516.79	UL 1083	Household Electric Skillets and Frying-Type Appliances	CPSA			
Electric Blankets	Fire, Burn	2	144,664	6301.1	UL 964	Electrically-Heated Bedding	CPSA	GB 4706.8-86		60299 60335-2-17
Electric Fans	Electrocution, Fire, Burn, Finger Entrapment	10	2,318,351	8414.51	UL 507	Electric Fans	CPSA	GB 4706.27-92 GB 12021.9-89 GB/T 13466-92	9097	
Electric Juicers	Flying broken parts	4	2,670,331	8509.403	UL 982	Motor-Operated Household Food Preparing Machines	CPSA			
Elec Landscape Paintings	Electric Shock, Fire	5	78,340	9701	UL 962	Household and Commercial Furnishings	CPSA			
Electric Lawn Mowers		1	3,141	8433.11	UL 1447	Electric Lawn Mowers	CPSA			
Electric Power Strips	Electrocution, Fire	4	220,747	8544	UL 1363	Relocatable Power Taps	CPSA			
Electric Pressure Washers	Electrocution, Electric Shock, Fire, Burn	3	88,132	---	UL 1776	High-Pressure Cleaning Machines				
Electric Toaster	Fire	4	2,493,171	8516.72	UL 1026	Electric Household Cooking and Food Serving Appliances	CPSA	GB 4706.14-86		60335-2-9 60442
Extension Cords	Electric Shock, Fire	12	1,938,284	8544	UL 817	Cord Sets and Power-Supply Cords	CPSA			
Hair Dryers	Electrocution, Fire	8	120,843	8516.31	UL 859	Household Electric Personal Grooming Appliances	CPSA			
Lamps	Electrocution, Fire, Burn	11	832,179	9405.2	UL 153	Portable Electric Luminaries	CPSA	GB 1312-91 GB 1407-96 GB 2313-93 GB 2797-94 GB 7000.6-96 GB 10681-89 GB 10682-89 GB 13260-91 GB 14045-93 GB 14196-93 GB 15039-94 GB 15040-94 GB 16843-97		

Low millions

Mid millions

High millions

*This document has been prepared by CPSC staff, has not been reviewed or approved by, and may not reflect the views of, the Commission.

Consumer Product Safety Standards Matrix.

DRAFT 8/22/05

Product Description	Hazard	Number of Cases	Number of Units	HTS	Standard No.	Standard Title	CPSC Statute	GB Standard CNIS	ISO Standard	IEC Standard
								GB 16843-97		
								GB 16844-97		
								GB/T 1006-67		
								GB/T 1483-89		
								GB/T 1484-79		
								GB/T 4728.8-84		
								GB/T 7249-87		
								GB/T 9473-88		
								GB/T 13259-91		
								GB/T 13261-91		
								GB/T 13434-92		
								GB/T 14044-93		
								GB/T 14094-93		
								GB/T 15042-94		
								GB/T 15043-94		
								GB/T 15143-94		
								GB/T 15144-94		
Light Bulbs	Fire	3	838,800	8539.21, 22.29	None	Standard for ballast on compact fluorescent bulbs: UL 1993 – Self-Ballasted Lamps and Lamp Adaptors	CPSA			
Light Fixtures	Burn	4	142,811	9405.1	UL 1598	Luminaries	CPSA			
Microwave Ovens	Fire	1	1,824,934	8516.5	UL 923	Microwave Cooking Appliances	CPSA	GB 4706.1-92 & GB 4706.21-96		60335-1 & 60335-2-25
Night Lights	Electrocution, Electric Shock, Fire, Burn	4	992,312	9405.2	UL 1786	Nightlights	CPSA			
Paper Shredder			15,000	8543	UL 60950	Information Technology Equipment	CPSA			
Portable Heaters	Electric Shock	9	794,412	8516.29	UL 1278	Movable and Wall- or Ceiling-Hung Electric Room Heaters	CPSA			
Slow Cookers	Fire	4	6,355,027	8516.79	UL 1026	Electric Household Cooking and Food Serving Appliances	CPSA			
Surge Suppressors		1	49,000	8535.4	UL 1449	Transient Voltage Surge Suppressors	CPSA			61051-2
										61051-2-2
										61643-1
										61643-12
										61643-331
										61643-341
Treadmills	Fall		1,258	9506.91	UL 1647	Motor-Operated Massage and Exercise Machines	CPSA		20957-6	
Trouble Lights	Electrocution, Electric Shock, Fire	3	382,351	8512.20, 8513.1	UL 298	Portable Electric Hand Lamps	CPSA			
		636	Total:							
			208,750,955							

Low millions

Mid millions

High millions

*This document has been prepared by CPSC staff, has not been reviewed or approved by, and may not reflect the views of, the Commission.

Appendix G

CPSC China Trip Schedule (8/29/05-9/2/05)

Monday, August 29, 2005 - Beijing

- 9:30 a.m.** **Joseph Mohorovic (Chief of Staff),
Ed Richards (Senior Legal Counsel),
Robert Raffety (Legal Counsel), and
John Gibson Mullan (Director, Office of Compliance)**
Depart hotel for Embassy
- United States Embassy of Beijing, China
Xiu Shui Bei Jie 3, 100600
Phone (86-10) 6532-3831
- 10:00 a.m.** **Embassy Staff meeting**
- Sara Yun, Economic Officer-WTO Unit
 - David Tulloch, Economic Officer
 - Mark Lewis, Standards Attaché
 - Christopher Beede, Acting Counselor for Economic Affairs
 - Kevin Harper, Economic Specialist

Tuesday, August 30, 2005 Sino-U.S. Consumer Product Safety Summit - Beijing

- 9:30 a.m. Sino-U.S. Consumer Product Safety Summit**
- AQSIQ
No. 9 Madiandonglu, Haidian District
Beijing, P.R. China, Postcode: 100088
 - Meeting with Minister Li
 - See Delegation and Attendance Lists for participants
- 10:15 a.m. Signing Ceremony of the *Action Plan on Consumer Product Safety* by Minister Li and Chairman Stratton**
- 10:35 a.m. Introduction of AQSIQ**
- Speech by Mr. Wangxin, Director General of Department of Supervision on Inspection, AQSIQ
- 11:15 a.m. Introduction of CPSC and their Role in Consumer Product Safety**
- U.S. CPSC Message, Speech by Joseph P. Mohorovic, Chief of Staff
- 12:00 p.m. Lunch with Vice Minister Ge Zhirong**
- 1:30 p.m. Introduction of Standard System and Adoption of International Standards**
- Speech by Deng Ruide, Director of Department of Planning, SAC
- 2:15 p.m. U.S. Retailers' Perspective on Consumer Product Safety**
- Speech by Chiqui Cui, Managing Director for Greater China and North Asia in Global Procurement, Wal-Mart
- 3:00 p.m. How to Improve Consumer Product Safety and Quality**
- Speech by Yuan Changxiang, Deputy Director General of Department for Supervision on Inspection
- 3:45 p.m. Break**
- 4:00 p.m. U.S. Industry Perspective on Consumer Product Safety**
- Speech by Jim Walter, Mattel
- 4:45 p.m. Implementation of Chinese Certification and Accreditation Policies**
- Speech by Xie Jun, Director General of Department of International Cooperation, CNCA

Tuesday, August 30, 2005 Sino-U.S. Consumer Product Safety Summit - Beijing (cont.)

5:30 p.m. U.S. Testing Laboratories Perspective on Consumer Product Safety

- Speech by: - Rob Griffin, President & CEO, Canadian Standards Association
- Gregg Tiemann, President, ETL SEMKO Americas
- Keith Williams, Underwriters Laboratories

6:30 p.m. Dinner with Minister Li and Chairman Stratton

Wednesday, August 31, 2005 - Beijing

(Chairman Stratton and Joseph P. Mohorovic schedule only)

- 8:00 a.m. AMCHAM breakfast**
- American Club
- 9:30 a.m. SAIC Meeting**
- 8 Sanlihe Donglu, Xicheng District,
Beijing China 100820
- Yuan You Xiang, Deputy Director General
- Wu Jie, Deputy Division Director
- 11:30 a.m. Wall Street Journal Interview**
- Rebecca Blumenstein
- Grand Hyatt Hotel
- 2:00 p.m. MOFCOM Meeting**
- 2 Dong Chang An Avenue
Beijing China 100731
- Jin Xu, Deputy General
- Qiu Yong
- Li Biqing, Director of Division

Wednesday, August 31, 2005 Sino-U.S. Consumer Product Safety Summit- Beijing
(Day 2)

(Schedule for Ed Richards, Gib Mullan, Rob Raffety, Page Faulk, and Ryan Breitenbach)

- 9:00 a.m. Speech by CNCA**
- AQSIQ
No. 9 Madiandonglu, Haidian District
Beijing, P.R. China
Postcode: 100088
 - Speech by Cai Wei, Deputy Director General of Department of Law, CNCA
- 9:30 a.m. U.S. CPSC Regulatory System**
- Speech by John Gibson Mullan
- 10:00 a.m. Question and Answer Session**
- 10:30 a.m. Break**
- 10:50 a.m. Speech by CNCA – CCC Mark**
- Speech by Jin Liping, Deputy Director General of Department of Certification, CNCA
- 11:20 a.m. Association Perspective on Consumer Product Safety**
- Speech by Joe McGuire, President, AHAM
- 12:00 p.m. Lunch**
- 2:00 p.m. Concurrent Workshops**
- Toys
 - Chinese: Mr. Song Xiushun
 - U.S.: Robert Raffety – U.S. Government
 - Electrical Products
 - Chinese: Mr. Liu Shiyuan
 - U.S.: John Gibson Mullan - U.S. Government
 - Lighters
 - Chinese: Mr. Pei Jinggang
 - U.S.: Page Faulk - U.S. Government
 - Fireworks
 - Chinese: Mr. Yu Qunli
 - U.S.: Edward Richards – U.S. Government

Wednesday, August 31, 2005 (cont.) – Beijing/Shanghai

4:30 p.m. Break

4:45 p.m. Conclusion of the Summit

- Speech by the meeting Chairman Wang Xin and Page Faulk

Thursday, September 1, 2005 – Shanghai

- 10:00 a.m. Hal Stratton, Joseph Mohorovic, Ed Richards, Gib Mullan, Rob Raffety, Page Faulk, and Ryan Breitenbach**
Roundtable Meeting with U.S. Retail Buying Offices in Shanghai
- JW Marriott Hotel, Shanghai Conference Room
 - See Delegation and Attendance Lists
- 12:00 – 1:30 p.m. AMCHAM Lunch**
- Kathleen's 5 Rooftop Restaurant
325 Nanjing West Road
Shanghai
- 6:30 p.m. HDS, JPM, GM, RR, PF, and RB Meeting with Shanghai Officials**
- Place: VIP Hall in the office building of Shanghai Municipal Government, No.200, Renmin Avenue
 - Vice Mayor of Shanghai Officials from the China State Bureau of Technical Supervision (SBTS)
 - China Entry-Exit Inspection and Quarantine (CIQ)
- 7:00 p.m. Dinner with CIQ and SBTS Shanghai**
- Place: VIP Hall in the office building of Shanghai Municipal Government, No.200, Renmin Avenue

Friday, September 2, 2005 – Shanghai

8:00 a.m. Breakfast Week Recap Meeting
- JW Marriot Hotel

Appendix H

Action Plan on Consumer Product Safety
Between
the U.S. Consumer Product Safety Commission and
the General Administration of Quality Supervision, Inspection and
Quarantine of the People's Republic of China

The U.S. Consumer Product Safety Commission (CPSC) and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) (hereinafter referred to as "the Participants"):

In accordance with the principles outlined in the Memorandum of Understanding between the U.S. Consumer Product Safety Commission and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (hereinafter referred to as "MOU"), with a view to protecting consumers' safety and health;

Recognizing that AQSIQ is the governmental agency responsible for the supervision and administration of China's import and export commodity inspection, quarantine, certification, and standardization; and is in charge of enforcing the supervision and administration of China's import and export commodity inspection in accordance with the laws and regulations of China and international common practice;

Recognizing that CPSC is an independent federal regulatory agency created to protect the public against unreasonable risks of injuries and deaths associated with consumer products; and is in charge of the enforcement of the U.S. Consumer Product Safety Act (CPSA), the U.S. Federal Hazardous Substances Act (FHSA), the U.S. Flammable Fabrics Act (FFA), the U.S. Poison Prevention Packaging Act (PPPA) and the U.S. Refrigerator Safety Act (RSA);

Noting the unique role that the Participants play in protecting the safety and health of the consumers of each nation, as well as the beneficial cooperation already conducted in the field of consumer product safety, the Participants have jointly developed this Action Plan on consumer product safety (hereinafter referred to as the "Action Plan"):

Article 1 Objectives

The following objectives can be achieved through developing this Action Plan:

- To protect the safety and health of the consumer reasonably and effectively;
- To enhance the understanding and cooperation of the Participants;

- To establish a smooth liaison channel for the Participants;
- To form an effective mechanism of communication, coordination and resolution for the Participants; and
- To conduct urgent consultation on significant safety events related to consumer products.

Article 2 Scope of Consumer Products

Consumer products include the consumer products covered by Annex 1: Catalogue of Consumer Products under the MOU. If one Participant has the intention to expand the scope of consumer products, it should notify the other promptly, and the scope of consumer products may be adjusted through consultations by mutual consent.

Article 3 Summit

The Sino-U.S. Consumer Product Safety Summit is to be held every other year, hosted alternately by CPSC and AQSIQ.

As an important part of ministerial dialogue in the field of consumer product safety of the Participants, the Sino-U.S. Consumer Product Safety Summit should provide a platform for the government bodies and interested parties of both countries to study and decide the nature of bilateral cooperation on consumer product safety, determine short and long term consumer product safety objectives, decide the tasks and objectives of the working groups discussed in Article 4 below, and discuss other issues of mutual concern.

Article 4 Working Groups

The Participants should set up working groups in the field of consumer products of mutual concern, which are to be formed by the personnel of the government bodies and interested parties of both countries.

The meeting of the working groups is to be held annually, hosted alternately by the Participants.

When emergencies concerning significant safety and public health matters emerge, a temporary meeting of the applicable working group may be convened upon request of one Participant.

The working groups are to study and discuss the issues of mutual concern in the corresponding fields, fulfill the tasks and objectives set at the Sino-U.S. Consumer Product Safety Summit, and solve any differences and problems arising in the relevant fields.

At the initial stage, the working groups are to be set up according to the product categories covered by the Catalogue of Consumer Products. If one Participant

has the intention to add a new working group, it should notify the other Participant promptly, and the adjustment may be made by mutual consent.

Article 5 Information Exchange Mechanism

The Participants note that it is of great necessity to strengthen information exchange and communication through biennial summits, annual meetings of the working groups, and urgent consultation meetings on significant safety events. The Participants are to exchange information when one Participant finds that the consumer products imported from the country of the other Participant have safety problems. The Participants are to exchange information on the status of and changes to safety standards, technical regulations and conformity assessment procedures.

Article 6 Urgent Consultation Mechanism

The Participants show concern for any event threatening public health or having a significant adverse effect on safety. The Participants have determined that an urgent consultation mechanism should be established to respond to events threatening public safety and/or health which are caused by exported consumer products. The Participants intend to propose appropriate solutions.

Article 7 Technical Cooperation

The Participants have decided to support, develop, and continuously strengthen technical cooperation and communication in the field of consumer products.

Intending to take advantage of each other's technical resources, the Participants have decided that one Participant, upon the request of the other, should provide the other Participant with reasonable and necessary resources to support the implementation of technical cooperation and communication on consumer products. The support includes but is not limited to providing technical research, academic communication, personnel training, etc. The expense is to be borne by the requesting Participant.

Article 8 Training and Cooperation

The Participants acknowledge the necessity to hold training for laboratory and inspection personnel, and exchange administrative personnel with each other in order to implement this Action Plan. The Participants have decided that, when necessary, one Participant may send two persons engaged in laboratory, inspection, and/or administration to the laboratory and/or institution of the other Participant to attend training and/or work. The expenses are to be borne by the sending Participant.

Article 9 Technical Assistance

The Participants acknowledge that necessary technical assistance is important for the implementation of this Action Plan. The Participants have decided that, upon the request of the other Participant, one Participant may provide technical assistance to the other. The expenses are to be borne by the requesting Participant.

Article 10 Funding

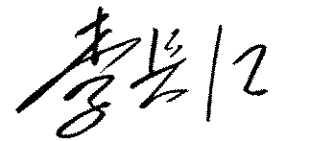
Any and all activities under this Action Plan are subject to the needs of both Participants based on mutual consent. The Participants understand that any and all activities under this Action Plan are subject to the availability of funds and resources and the laws governing the respective Participants.

Each Participant is to designate contact persons for carrying out activities under this Action Plan.

This Action Plan may be modified with approval in writing of the Participants.

This Action Plan is to be implemented from the date of its signature and continue for a period of two years. Thereafter, it is to continue automatically for another two years unless one Participant notifies the other in writing of with thirty days advance notice of its intention to end the Action Plan.

Signed in Beijing on August 30, 2005, in the English and Chinese languages.


For the U.S. Consumer Product
Safety Commission
For the General Administration of
Quality Supervision, Inspection and
Quarantine of the People's
Republic of China

Appendix I



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: February 7, 2006

TO : Patricia M. Bittner, M.S.
Project Manager,
Consumer Product Safety Program Plan-China
Office of International Programs and Intergovernmental Affairs

THROUGH: John Gibson Mullan, Assistant Executive Director, Office of Compliance and Field Operations *JGM*
Marc Schoem, Deputy Director, Office of Compliance and Field Operations *MS*

FROM : Patricia Fairall, M.S. *PNF*
Acting Division Director, Resource Management Division, Office of
Compliance and Field Operations

SUBJECT : China Team Workgroup Summaries and Talking Points

Attached are cleared copies of the China Team Workgroup Summaries and Talking Points that were used during the August 2005 U.S.-Sino Safety Summit. The product areas covered are Toys, Fireworks, Cigarette Lighters and Electrical Products.

Attachments:

Toys
Fireworks
Cigarette Lighters
Electrical Products

Toys

CPSC Contacts:

Presenter: Rob Raffety x 7796
Terri Rogers (Compliance) x 7584
Frank Krivda (Compliance) x 7580
Marilyn Wind (Health Sciences) x 7246
Workgroup Coordinator: Patricia Fairall x 7517

Overall Message:

- The large manufacturers and retailers generally appear to be complying with the standards. Many manufacturers are testing and then retailers are conducting audit tests.
- The medium to small manufacturers/importers are having some problems meeting the standards. (Good testing programs help assure that the products shipped to the U.S. are complying with standards). Most violations are small parts violations.
- **Testing Message:** In addition to the mandatory standards, CPSC recommends that toys also meet the ASTM F 963 Voluntary Standard.

Power Point Slides

Compliance Data:

Over 95% of the toy samples tested where a recall was requested between 1/1/1999 and 12/31/2004 were found to have small parts violations (133). Small parts violations pose choking or aspiration hazards to young children.

Standard Summary:

- Mandatory Standards
 - Small Parts Regulation – 16 CFR Part 1501 - Small Parts Regulatory Summary. This regulation prevents deaths and injuries to children under 3 from choking on, inhaling, or swallowing small objects they may “mouth”. It bans toys and other articles that are intended for use by children under 3 and that are themselves small parts ,or have small parts, or that produce small parts after use and abuse testing. These impact, flexure, torque, tension and compression tests simulate the forces that toys and products can experience during normal use and abuse by children under 3. If the tests cause parts to break off that fit completely in the small parts cylinder, those parts present a risk of choking, aspiration or ingestion to children under 3 and the toy is banned from sale in the U.S.
 - Lead in Paint – 16 CFR Part 1303 - Lead Paint Regulatory Summary. This regulation prevents children from being poisoned when they eat paint chips or dust from paint chips containing lead, or lick their fingers after they play with or touch toys or juvenile products that are coated with paint that contains lead. Lead poisoning in children is associated with behavioral problems, learning disabilities, and growth retardation.

Toys

- Rattles – 16 CFR Part 1510 - Rattles Regulatory Summary. The rattle regulation prevents infants from choking or suffocating on rattles. The rule requires that (1) a rattle stay in one piece after certain tests and (2) a rattle be designed and constructed so that it cannot enter an infant's mouth and block his or her throat.
- Pacifiers – 16 CFR Part 1511 - Pacifiers Regulatory Summary. This rule keeps babies from choking or suffocating on pacifiers or pieces that can separate from pacifiers.
- Additional requirements:
 - Toys and games for children under 3 cannot contain small balls that pass entirely through a circular hole with a diameter of 1.75 inches (44.4 mm)(16 CFR 1500.18(a)(17)).
 - Toys and games that are themselves small parts or contain small parts as manufactured and that are intended for use by children from 3 to 6 years old must be labeled to warn purchasers that the product has small parts that are a choking hazard to children under 3. Marbles, small balls, and balloons also require similar warnings. See 16 CFR 1500.19
 - Toys and children's products must not be or contain hazardous substances that are accessible to children (16 CFR 1500.3(a)(15)).
 - CPSC has tests to identify toys with potentially hazardous sharp edges (16 CFR 1500.49) and sharp points (16 CFR 1500.48); and toys that may be hazardous because of flammability (16 CFR 1500.44).
- Voluntary Standard ASTM F 963
 - This standard includes safety requirements that are not covered by CPSC Mandatory Standards:
 - Squeeze Toys (§4.24 addresses choking hazard)
 - Preschool play figures and other toys with spherical ends (§4.33 addresses choking hazard)
 - Strings/cords/elastics (§4.14 addresses strangulation hazard)
 - Hemispherical shaped toys (§4.37 addresses suffocation hazard) (see Pokemon example)

Toy Standards and other Guidance

Case Study:

- Pokemon Ball Recall
 - December 27, 1999
 - 25 million Pokemon balls included with Burger King Kids Meals
 - Suffocation Hazard for children under 3 years of age.
 - The balls separated into hemispheric shapes that fit snugly over a child's nose and mouth
 - Meets voluntary standards

Toys

- Toy contained a defect which created a substantial risk of injury and was recalled under authority of the FHSA
- ASTM F 963 was later amended to address this hazard.

Press Release 00-046

Press Release 00-058

Power Point Slides

- High Toys Choochoo Toy Train Recall (Small Parts)
 - April 20, 2005
 - The High Toys Choochoo Toy Train is a battery operated train that measures about 8 inches across and 5 inches high.
 - The main body of the train is light blue with red wheels, with tiny foam balls contained inside its pink smokestack.
 - Small Parts were produced after use and abuse testing
 - Small Parts present a risk of choking, aspiration or ingestion to children under 3 years of age.

Press Release 05-150

Power Point Slides

TOY TESTING

- It is unlawful to sell a toy in the U.S. that violates CPSC's mandatory standards
- Test a reasonable and representative number of toys
- Maintain good quality control procedures
- Meet more than the minimum requirements
- Over 95% of the recalls involved small parts violations

VOLUNTARY STANDARDS

- Comply with voluntary and mandatory standards
- Consequences for not following voluntary standards
 - Toy may be considered defective and a substantial risk to children
 - CPSC may seek a recall

Examples of Voluntary Standards for Toys

- squeeze toys
- teething & teething rings
- toy chests
- battery operated toys
- preschool play figures
- pom poms; cords on toys & projectile toys
- Hemispheric-shaped objects

BURGER KING POKEMON BALL

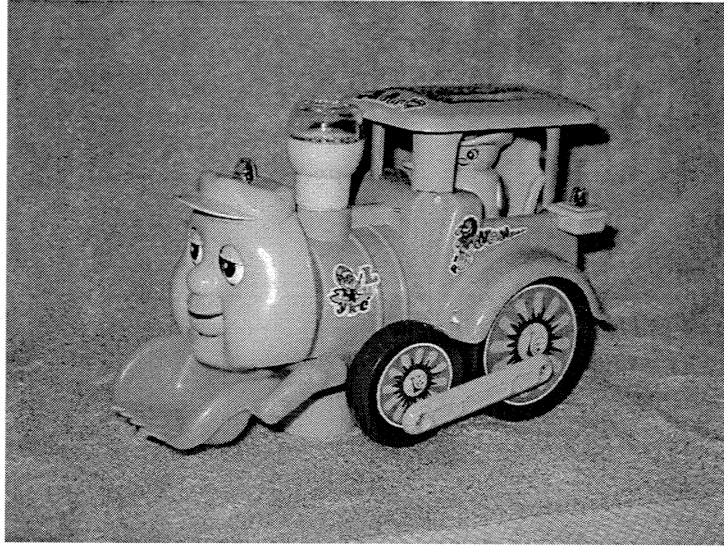


[Click picture above for video](#)

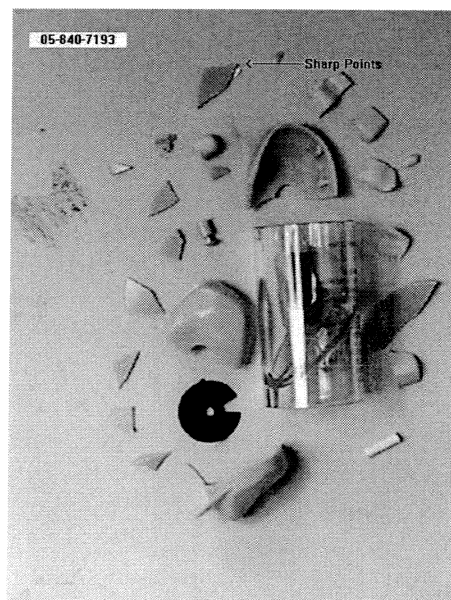
BURGER KING POKEMON BALL

- Suffocation hazard for children under 3 years of age.
- Even though it met mandatory standards, it presented a hazard to children under 3 years of age and was recalled under authority of the FHSA.
- The toy contained a defect which created a substantial risk of injury to children. ASTM F 963 now addresses this hazard.

Recalled ChooChoo Train



Small Parts from Choochoo Train



Fireworks

CPSC Contacts:

Presenter: Ed Richards x 7887
Jim Joholske (Compliance) x 7527
Andrea Paterson (Compliance) x 7615
Neal Gasser (Laboratory Sciences) 301-424-6421x112
Workgroup Coordinator: Patricia Fairall x 7517

Overall Message:

- Our most serious and frequent violation involves fireworks that are overloaded with “report” composition. A “report” is the audible effect or “bang” associated with a fireworks device. Such overloaded violations are common in both ground devices (firecrackers) and in aerial devices. These fireworks can cause severe injuries due to the increased explosive force of the composition.
- We are also very concerned about aerial fireworks devices that are not stable while they are functioning. Unstable devices can tip over during use and fire effects at those that may be standing in close proximity.
- Traditionally, manufacturers have used Black Powder as the composition to “break” open fireworks aerial shells and release colorful effects during functioning. However, fireworks manufacturers that add a metal and/or metal alloy powders to their break charges are more likely to produce devices with an audible report that is in excess of CPSC regulations.
- **Testing Message:** CPSC recommends that manufacturers utilize an established third party testing program. Products that are third party tested are less likely to be violative.

Power Point Slides

Compliance Data:

Over 75% of the fireworks samples tested where a recall was requested between 1/1/1999 and 12/31/2004 were found to have Overloaded Pyrotechnic Audible effects (101/132). These overload violations provide a “bigger bang” and also more explosive force which can lead to higher injury potential.

CPSC staff reviewed the compliance rates for all fireworks from 1996 to 2004. The compliance rate for fireworks has been steadily increasing. For example, the compliance rate for non-AFSL tested fireworks has increased from 26% in 1996 to 66% in 2004, while the compliance rate for AFSL tested fireworks (which is considerably higher), increased from 36% in 1996 to 87% in 2004.

Standard Summary:

- Mandatory Standards: Fireworks Regulatory Summary
 - These rules aim to prevent injuries and death from hazards from fireworks devices intended for use by consumers.

Fireworks

- Cautionary labeling warns consumers of the potential dangers associated with fireworks and tells them guidelines for use. The labeling requirements are published at 16 CFR 1500.14 and 1500.121. For example:
 - Every fireworks device must have:
 - A label with a signal word, either WARNING or CAUTION;
 - A statement describing the hazard(s) associated with the device, such as "SHOOTS FLAMING BALLS" or "EMITS SHOWERS OR SPARKS";
 - and information describing the actions to be followed or avoided in order to store, handle and use the device safely.
 - 16 CFR §1500.14(b)(7) includes the specific text for the labels of fountains, California candles, spike and handle fountains, Roman candles, rockets with sticks, wheels, illuminating torches, sparklers, mines and shells, whistles without report, toy smoke and flitter devices, helicopter-type rockets, party poppers, and missile-type rockets.
 - The information contained on the labels must be displayed in a prominent and obvious (conspicuous) manner. 16 CFR §1500.121 provides information on how to meet this requirement.
- The specific types of fireworks that are banned are found at 16 CFR 1500.17 (a)(3), (8), (9) and (11). For example:
 - 16 CFR 1500.17(a)(8) limits firecrackers and other ground devices, to 50 mg. of pyrotechnic composition (powder) designed to produce an audible effect. Firecrackers that exceed this limit, including illegal devices such as 'cherry bombs', 'M-80's', 'silver salutes' and other large firecrackers are banned. Kits and components intended to produce any banned device also violate the regulations.
 - 16 CFR 1500.17(a)(3) limits aerial fireworks devices to 130 mg (2 grains) of pyrotechnic composition intended to produce an audible effect. Aerial devices, which are devices that are launched into the air and then function, that have an audible effect larger than 130 mg, are banned fireworks devices. This limit applies to many types of fireworks, including but not limited to: rockets; aerial bombs, and firecrackers or other types of reports included in aerial devices such as multi-tube shells and aerial rockets. Kits and components intended to produce any of these are also subject to this limit.
 - 16 CFR 1500.17(a)(11) bans reloadable tube aerial shell devices that use shells with a diameter greater than 1.75

Fireworks

inches. A reloadable aerial shell kit typically consists of a cardboard or plastic launcher tube and separate aerial shells that the user places inside the tube. These fireworks, that have a shell diameter of over 1.75 inches, cannot be sold to consumers.

- The performance and construction requirements are published at Title 16, Part 1507. For example:
 - Large multiple-tube mine and shell devices with any tube measuring 1.5 inches or more in inside diameter must not have a minimum tip angle of less than 60 degrees.
 - Fireworks must not contain the following chemicals: arsenic sulfide, arsenates, arsenites, boron, chlorates, gallates, gallic acid, magnesium, mercury salts, phosphorous, picrates, picric acid, thiocyanates, titanium, or zirconium. (See 16 CFR §1507.2 for exceptions).
- The Commission has banned fireworks that do not meet these requirements. The Commission can take legal action and seek penalties against companies or persons that sell, or offer to sell, banned fireworks.

Fireworks Standards Directory

Case Study:

- In May 2005, CPSC inspected a shipment of fireworks arriving from China. The invoice and packing list for the shipment indicated that it contained consumer fireworks.
- Upon inspection, CPSC investigators found that some of the fireworks devices appeared to be much larger than typical consumer fireworks.
- CPSC collected samples of all 36 items in the shipment. Testing by CPSC laboratory staff found that 24 of the 36 items were in violation of CPSC regulations. 18 of the items were “overloaded” with report composition.
- CPSC worked with U.S. Customs and Border Protection and the local state fire marshal’s office to have the shipment seized so that it could not be distributed to consumers.

How to Comply with CPSC Fireworks Regulations

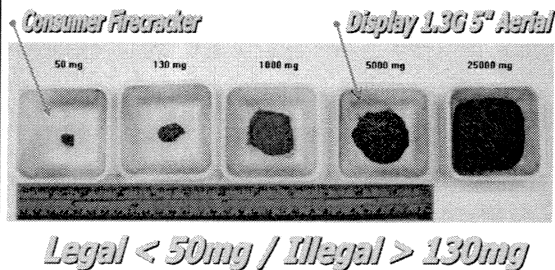
- Test a reasonable and representative number
- CPSC does not endorse testing programs
- AFSL certified fireworks comply better than non-AFSL certified fireworks

FIREWORKS MANDATORY STANDARDS

- Fireworks mandatory standards cover:
 - fuse burn time,
 - rocket stick rigidity and straightness
 - base stability
 - burnout/blowout
 - labeling
 - limits on pyrotechnic composition designed to produce an audible effect (over 75% of the fireworks recalled exceeded these limits)

What Do the Different Report Limits Look Like?

- Varying amounts of flash powder



Lighters

CPSC Contacts:

Presenter: Page Faulk x 7625

Joe Vogel (Compliance) x 7599

Rikki Khanna (Engineering Sciences) x 7546

Workgroup Coordinator: Patricia Fairall x 7517

Overall Message:

- At least 30 days before importation into the United States a written report is to be filed with the CPSC that includes a description of the testing done to establish that the lighter model is child resistant. Most of the violations found involve importation without providing this information.
- Manufacturers or importers must certify that the lighters they sell comply with the CPSC mandatory standard. Certification indicates or provides assurance that the child-resistant mechanisms on lighters produced for sale perform as effectively as the mechanisms on the tested surrogates. A certificate must be based on a reasonable testing program of lighters sampled during production or on a test of each lighter produced for sale.
- **Testing Message:** In addition to the mandatory requirements, CPSC recommends that lighters also meet the Voluntary ISO 9994 (ASTM F-400) standard. The performance requirements in the ASTM/ISO standards should be considered as the minimum acceptable requirements. The goal of a responsible manufacturer should be to exceed these requirements.

Power Point Slides

Compliance Data:

About 95% of the cigarette lighter samples evaluated where a recall was requested between 1/1/1999 and 12/31/2004 had not been reported (783/837). A written report that includes a description of the lighters and a summary of the results of the qualification tests must be submitted at least 30 days before importation, distribution and/or sale. These cigarette lighters may not have qualified child resistant mechanisms and may be used by young children to start fires.

Standard Summary:

- Mandatory Standard: Cigarette Lighter Regulatory Summary
 - 16 CFR 1210, Safety Standard for Cigarette Lighters. This rule reduces injuries and deaths that occur when children under the age of 5 light fires while playing with cigarette lighters. The rule covers disposable and novelty cigarette lighters and requires generally that:
 - (1) at least 85% of the children who test a surrogate (non-flame producing) lighter in accordance with 16 C.F.R. §1210.4 must not be able to make it work;

Lighters

- (2) the mechanism or system that makes the lighter child-resistant must reset automatically after someone lights the lighter;
 - (3) the child-resistant mechanism must not impair the safe operation of the lighter when the lighter is used in a normal and convenient manner;
 - (4) the child-resistant mechanism must work properly for the reasonably expected life of the lighter; and
 - (5) users must not be able to easily override or undo the child-resistant mechanism.
- After conducting qualification tests on surrogate lighters, manufacturers and importers must certify that the lighters they sell comply with the standard. Certification assures that the child-resistant mechanisms on lighters produced for sale perform as effectively as the mechanisms on the tested surrogates. A certificate must be based on a reasonable testing program of lighters sampled during production or on a test of each lighter produced for sale. Every manufacturer and importer of lighters subject to the standard must also label each lighter, must keep records of child testing in English on paper, microfiche, or similar media, and must give those records within 48 hours to any designated officer or employee of the Commission who asks for them.
 - At least 30 days before any manufacturer or importer imports into or distributes in the United States any model of lighter subject to the standard, the manufacturer or importer must provide a written report to the CPSC's Office of Compliance that includes:
 - (1) The name, address and principal place of business of the manufacturer or importer,
 - (2) A detailed description of the lighter model to be imported or distributed and of the child-resistant feature(s) used on that model,
 - (3) A description of the testing done to establish that the lighter is child resistant, including a description of the surrogate lighter tested, the specifications for the surrogate lighter, a summary of the results of all such tests, the dates the tests were performed, the location(s) of such tests, and the identity of the organization that conducted the tests,
 - (4) An identification of the place or places that the lighters were or will be manufactured,
 - (5) The location(s) where the records of testing of the lighter are kept, and
 - (6) A prototype or production sample of the lighter model for which the report is submitted.

Lighters that do not meet these requirements are in violation of the Consumer Product Safety Act. 15 U.S.C. 2057 and 2068(a)(1).

Lighters

- Voluntary Standard ISO 9994 (ASTM F-400)
 - contains performance requirements for lighters to operate safely and to address potential injuries that can result from mechanical failures of lighters. Included are provisions for:
 - maximum flame height
 - proper flame extinction
 - maintaining structural integrity when exposed to hot or cold temperatures and after a drop test
 - withstanding internal pressure
 - maximum fuel levels
 - warning labels
 - instructions for proper use.

Lighter Standards and other Guidance

Case Study:

- Gladstrong Investments Lighter Recall
 - April 17, 2001
 - 13 million disposable lighters
 - child resistant mechanisms were frequently ineffective
 - video also shows novelty lighters without child resistant mechanisms

Press Release 01-124

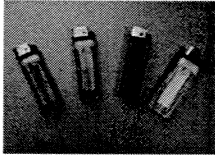
Video Transcript

Video (1:26)

Safety Standard for Cigarette Lighters

Title 16, Code of Federal Regulations, Part 1210
(16 C.F.R. 1210)

Lighters subject to the standard include:



Disposable lighters



Novelty lighters

Qualifications Testing

- Test protocol is at 16 C.F.R. § 1210.4
- Testing must be done with children residing in the United States of America.
- Each test must use at least one but no more than two 100 child test panels.
- The children in each test panel must range in age from 42 to 51 months in age, and consist of 63-69 boys and 31-37 girls.

Reporting Requirement

- At least 30 days before the lighter is first imported into the United States, **every** manufacturer and importer must provide a written report to the CPSC showing that the product to be imported complies with the safety standard. About 95% of the violations we find are due to importation without filing this report.

Certification Requirement

- Each manufacturer or importer of disposable or novelty cigarette lighters must issue a Certificate of Compliance to accompany each shipping unit of lighters.

Electrical

CPSC Contacts:

Presenter: Gib Mullan x 7626

Richard Stern (Compliance) x 7620

Linda Edwards (Engineering Sciences) x 7535

Workgroup Coordinator: Patricia Fairall x 7517

Overall Message:

- **Testing Message:** There are no product specific mandatory standards (except for electrically operated toys), so electrical products should meet appropriate voluntary standards.
- CPSC recommends certification where available; otherwise, testing by an accredited laboratory.
- Areas of concern: include: extension cords, outlet strips, holiday lights, hair dryers – use of undersized wiring; mislabeling of wire size and certification marks; inadequate or absent protective devices (fuse, ALCI, GFCI, etc.).

Power Point Slides

Compliance/Engineering Data:

Engineering staff reviewed a total of 199 electrical products made in China and recalled in recent years. Fifty-six of the products were listed by a third-party testing laboratory such as Underwriters Laboratories, Inc. (UL) or Intertek Testing Services (ETL) or the Canadian Standards Association (CSA). Seventy-three of the recalled products were not certified. For 70 of the recalls, no documentation (i.e., Product Safety Assessment report, quick evaluation report, in-depth investigation report, Section 15 database entry, recall notice) was found to confirm a listing or not. Of these 70, the staff believes that at least 33 were probably listed by UL. (UL's on-line certifications directory lists the manufacturers as being qualified to use the UL Mark for the types of products that were recalled.)

Recalls and Voluntary Standards Requirements

For the 73 products that were not listed, the reasons for recall most often cited were:

- Hair dryers that did not incorporate electric shock protection
- Light strings, extension cords/power strips, surge suppressors and electric fans with undersized wire (most of these also had deficient strain relief and/or a lack of overcurrent protection, such as a fuse).

These products did not meet current voluntary standards requirements.

Electrical

Standard Summary:

- Failure to meet appropriate voluntary standards could present fire and electrocution hazards that may lead to a determination that the product is a substantial product hazard.
- Firms must immediately report to the CPSC if they obtain information that reasonably supports the conclusion that a product fails to meet a consumer product safety rule, standard, or ban, contains a defect which could create a substantial product hazard, or creates an unreasonable risk of serious injury or death.
- CPSC Mandatory Reporting Requirements – Section 15 of Consumer Product Safety Act and 16 CFR 1115.
- Various Voluntary Standards are applicable to different types of electrical products. For example the following are some of the UL standards that apply to electrical products that are of concern to CPSC.
 - UL 588 – Seasonal and Holiday Decorative Products
 - UL 1363 – Relocatable Power Taps (power strips)
 - UL 1449 – Transient Voltage Surge Suppressors (so if you had a power strip with surge protection, you would use 1363 and 1449)
 - UL 859 – Household Electric Personal Grooming Appliances (hair dryers)
 - UL 817 – Cord Sets and Power Supply Cords
 - UL also has a Guide for General-Use Indoor Cord Sets (Extension Cords) which assists in determining the appropriate requirements for your product type and referencing the other applicable standards (e.g., UL 498 – Attachment Plugs and Receptacles, or UL 1659 – Attachment Plug Blades for Use in Cord Sets and Power Supply Cords).

Electrical Product Standards and other Guidance

Case Study:

- Remington Hair Dryer Recall
 - March 21, 2001
 - 3,000 hairdryers not equipped with an appliance leakage current interrupter plug
 - May pose an electrocution hazard to consumers
 - 2 samples in boxes. One with ALCI plug and one without (recalled model) (borrowed from Scott Wolfson).

Press Release 01-111

Power Point Slides of Other Recalled Electrical Products

Electrical Products

John Gibson Mullan
Director, CPSC Office of Compliance
August 31, 2005



This presentation has not been reviewed or approved by the Commission and may not reflect its views

Meet Voluntary Standards

- Certification is recommended wherever possible
 - Helps identify applicable standards
 - Evidences safe design to consumers and regulators
- Some U.S. States and retailers do not allow sale of electrical products unless they are certified
- Surveillance services are key aspect of certification
 - Factory inspections
 - Pre-market and post-market production sample testing

Why Do Some Certified Products Get Recalled?

- Standards may not cover all aspects of performance
- Standards may not require state-of-the-art performance
- Small changes in design may affect safety performance
- Product may not be built as designed

Beyond Standards

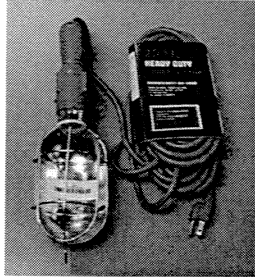
- Thorough design review (hazard analysis, human factors analysis, life-cycle analysis)
- Control changes in design, materials, production
- Control supply chain and component quality
- Analyze aftermarket performance (track real-world performance through complaints, warranty, etc.)

Help CPSC Help You

- Mark products with the name of manufacturer or factory
- Include manufacturer and factory information on shipping records
- Use date codes
 - May help limit population in the event of recall

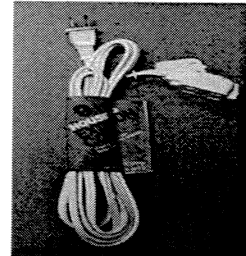
Heavy Duty Trouble Light...Made in China

- PROBLEM: The lights have undersized, corroded or loose wires and exposed plug blades, presenting fire, shock and electrocution hazards.



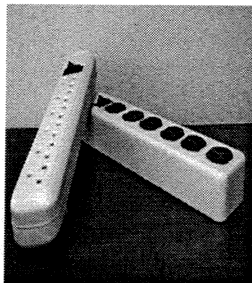
"HOUSEHOLD EXTENSION CORD...SPT-2...MADE IN CHINA"

- The cords have undersized wires and reverse polarity receptacles that allow plugs to be incorrectly inserted, presenting fire, shock and electrocution hazards



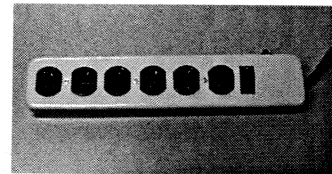
"6-OUTLET POWER STRIP...MADE IN CHINA"

- The power strips have undersized, cracked or corroded wiring and misaligned plugs, which present fire, shock and electrocution hazards



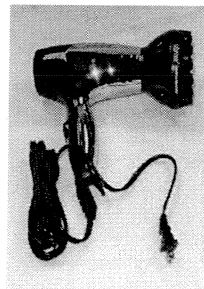
"GENERAL POWER 6 OUTLET POWER STRIP...MADE IN CHINA"

- The power strips have cracked, corroded and loose wires, presenting fire, shock and electrocution hazards



"MADE IN CHINA"

- These hair dryers do not have an appliance leakage current interrupter (ALCI) plug. They present a risk of electrocution if dropped in water.



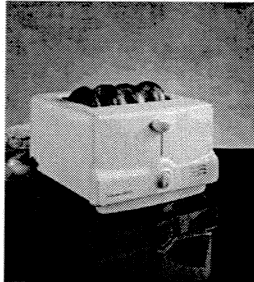
Label reads in part, "AC Adapter," "Made in China"

- These AC adapters can overheat, posing a fire hazard.



UL logo and "MADE IN CHINA" are printed on bottom of toaster.

- Heating elements can remain on after toast pops up posing a fire hazard.



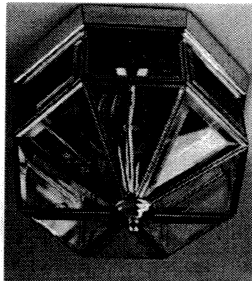
Price label on the bottom of the base reads, "Made in China...."

- The lamps can short circuit posing a fire hazard.



Base of one of the light sockets reads, "MADE IN CHINA."

- The light fixtures can short circuit, posing a fire hazard.



Appendix J



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: January 11, 2006

TO : Patricia M. Bittner, M.S.
Project Manager
Consumer Product Safety Program Plan-China
Office of International Programs and Intergovernmental Affairs

THROUGH: Hugh M. McLaurin *HMM*
Associate Executive Director
Directorate for Engineering Sciences

FROM : Erlinda M. Edwards *EME*
Director, Division of Electrical Engineering
Directorate for Engineering Sciences

SUBJECT : Evaluation of Electrical Product Recalls from China and Hong Kong

In June 2005, Engineering Sciences staff was tasked with evaluating the nature of hazards involved in recalls for electrical products. The staff evaluation included determining whether the recalled products were listed by a third-party testing laboratory and what the reasons for the recalls were.

Third-Party Listing

The Office of Compliance identified 261 recalled products from China and Hong Kong that were associated with chemical hazards, electric shock hazards, or fire hazards. These recalls occurred during the period 1999-2005. Of the 261 recalled products, 199 were determined to be electrical products, which were reviewed to determine how many were listed by a third-party testing laboratory. Documents examined to determine whether products were listed included Product Safety Assessment reports, quick evaluation reports, in-depth investigation reports, Section 15 database entries, and CPSC recall notices.

The staff review showed that 56 of the recalled products were listed by a third-party testing laboratory such as Underwriters Laboratories, Inc. (UL) or Intertek Testing Services (ETL) or the Canadian Standards Association (CSA). Seventy-three of the recalled products were not listed by a third-party testing laboratory. For 70 of the recalls, no documentation was found to confirm a listing or not. Of these 70, the staff believes that at least 33 were probably listed by UL. (UL's on-line certifications directory lists the manufacturers as being qualified to use the UL Mark for the types of products that were recalled.)

CPSC
1/23/06 B
PRODUCT IDENTIFIED

EXCEPTED BY: PETITION
RULEMAKING ADMIN. PROC.

WITH PORTIONS REMOVED: _____

Recalls and Voluntary Standards Requirements

For the 73 products that were not listed, the reasons for recall most often cited were:

- Hair dryers that did not incorporate electric shock protection
- Light strings, extension cords/power strips, surge suppressors and electric fans with undersized wire (most of these also had deficient strain relief and/or a lack of overcurrent protection, such as a fuse)

These products did not meet current voluntary standards requirements.

For the 56 products listed by third-party testing laboratories, many of the products recalled did not meet requirements in applicable voluntary standards. In some instances, however, the voluntary standards did not contain requirements to address the hazards for which the products were recalled. These recalls often resulted in the development of new standards, such as for rope lights (UL 2388 – *Flexible Lighting Products*) and cell phone batteries (IEEE P1725 – *Rechargeable Batteries for Cellular Telephones*), or new requirements in existing standards. Some examples include:

- Pressure test for the frothing nozzle of espresso makers (effective July 15, 2006)
- Requirements to address breakage of handles on products such as slow cookers (effective February 11, 2007)
- Requirements to address sagging/loosening of heating elements in products such as slow cookers (effective November 28, 2003)
- Requirements to prevent the faceplate of a night light from breaking off and exposing live parts (effective April 16, 2002)

Appendix K

Guest List - CPSC Round-Table WorkShop, Sept 1 10:00am to 12:00pm, Shanghai

	Name	Company	Position
1	Hal Stratton	CPSC	Chairman
2	Joseph Mohorovic	CPSC	Chief of Staff
3	Edward Richards	CPSC	Counsel to the Chairman
4	Robert Raffety	CPSC	Counsel to the Chairman
5	John Gibson Mullan	CPSC	Asst Executive Director of Compliance
6	Page Faulk	CPSC	General Counsel
7	Ryan Breitenbach	US Senate	Staff Director and Counsel, Sbcmtte on Consumer Affairs, Product Safety, and Insurance
8	Chiqui Cui	Wal-Mart (Global Procurement)	Managing Director for Greater China and North Asia
9	Christpher Callahan	Wal-Mart (Global Procurement)	Managing Director, Hardlines
10	Frank Loncar	Lowes (Global Procurement)	President
11	Kelly Brown	Lowes (Global Procurement)	Asian Sourcing Director
12	Greg Wainright	Lowes (Global Procurement)	Director, Int'l Sourcing
13	Paula Prahl	Best Buy	Vice President of Government Relations
14	Chris Anderson	Best Buy	General Manager, Strategic Development
15	Britton Russell	Home Depot	Senior Director of Global Sourcing
16	David Lang	Home Depot	Director of Quality Assurance
17	Raymond Chou	Home Depot	Managing Director, Asia Sourcing
18	Judy Chung	Target AMC	Managing Director
19	Jeff Miller	TCPS Asia (Target)	Managing Director
20	Keith Williams	UL	President and CEO
21	Gregg Tiemann	Intertek	President , ETL SEMKO America
22	August Schaefer	UL	Public Safety Officer & Senior VP
23	Ann Weeks	UL	Director, Int'l Affairs
24	Gus Schaefer	UL	Public Safety Officer & Senior VP
25	Rob Griffin	CSA	President & CEO
26	Doug Geralde	CSA	Director
27	Suzanne Kiraly	CSA	Vice President
28	Chris Lanzit	CSCA	Director
29	Joe McGuire	AHAM	President

30	Evan Gaddis	GAMA	President
31	Jim Walter	Mattel	Senior Vice Present
32	John Roger	AFSL	Executive Director
33	Francis Yuk	Intertek	VP, Int'l Business
34	Mike DePaul	CanTire	General Manager
35	Eric Christopher	QVC	Vice President, QA
36	Yang Pei Lin	QVC	Representative
37	Roger Lee	Wal-Mart, Shanghai	General Manager
38	John Huang	Wal-Mart, Shanghai	General Manager
39	Chris Gao	Home Depot	Senior Manager
40	Jun Ouyang	Gree Electrical Appliances Inc	Vice Manager, Overseas Dept
41	Ruby Wang	Gree Electrical Appliances Inc	Overseas Certification Engineer
42	Ray Tse	Norwood, Asia	Managing Director
43	Zhang Song	TCL	Manager
44	Dieter Bruns	Positec China	Vice President Executives
45	David Ding	LCI	QA Manager
46	Jennifer Xie	LCI	
47	Lu Zhi Kum	Suzhou Kingclean Floorcare	Deputy GM
48	Chen Jian Liang	Suzhou EUP	
49	Jason Qin	Intertek	President, ETL SEMKO
50	Patrick McGinnis	Best Buy - Asia	Senior Director
51	Xie Si Yu	Xiamen Overseas Chinese Electronic Co., Ltd	President
52	Li Wan Cun	Xiamen Overseas Chinese Electronic Co., Ltd	Vice President
53	Thomason Hua	Sichuan Chang Hong	Overseas Sales Division
54	Debbie	Neonlite	
55	Mary Geng	La-z-boy	Operation Manager
	Fred Bai	Intertek	General Manager, Labtest
	Lin Yap	Intertek	General Manager, ETL SEMKO Shanghai
	Karbon Wu	Intertek	